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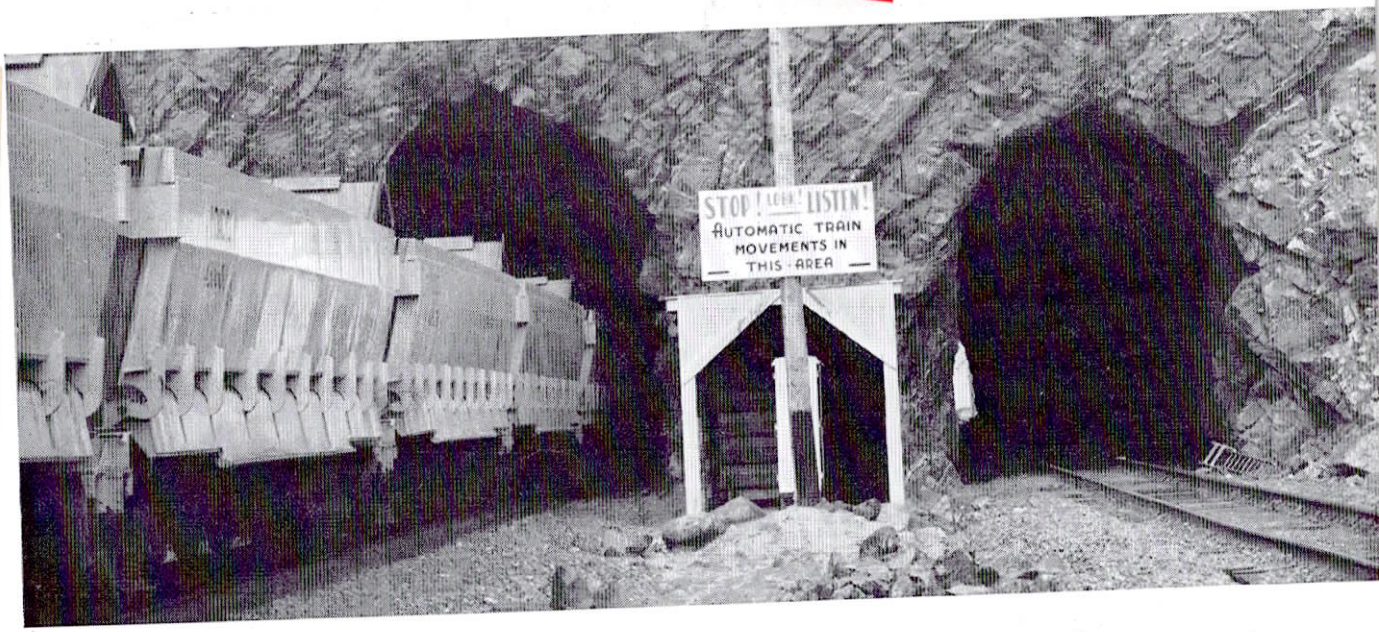
Wheel slip control system aids **tonnage** operations on Western Maryland . . p. 18

September 3, 1962

RAILWAY AGE WEEKLY

First Crewless Freight Train

p. 12



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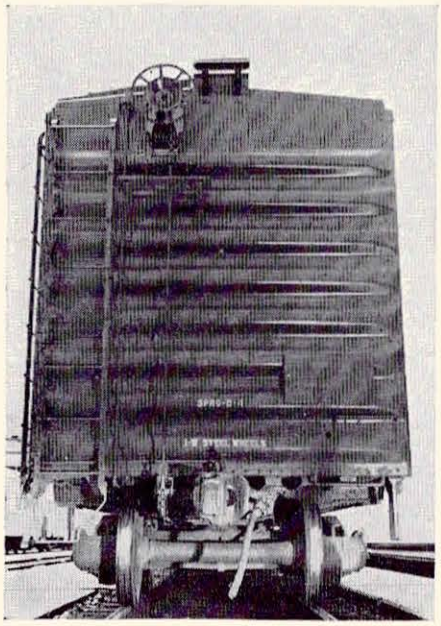

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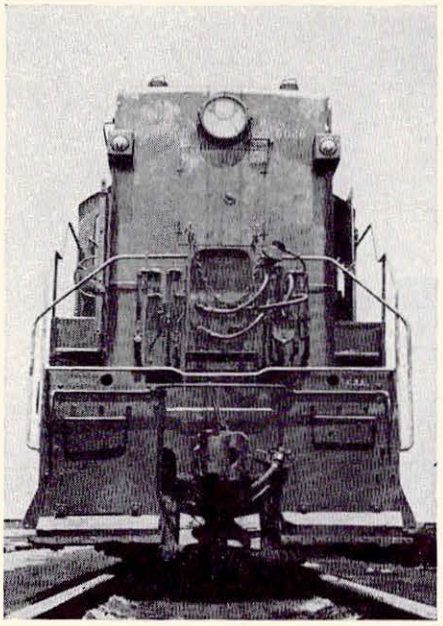

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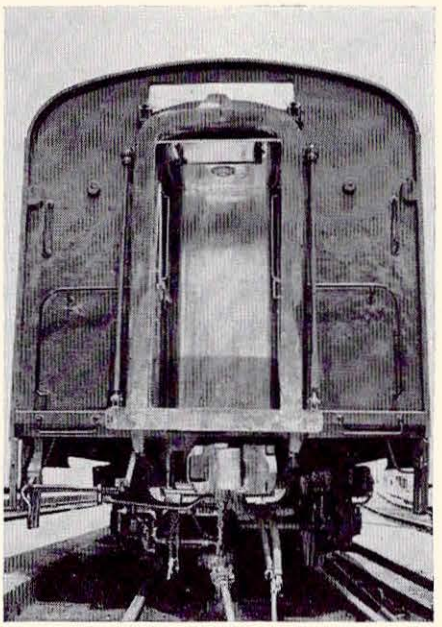

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SHELL

RAILWAY AGE

WEEK AT A GLANCE

September 3, 1962 • Vol. 153, No. 10

Job-freeze pickets shut down C&NW

A strike by 1,000 Telegraphers idled another 15,000 employees and brought freight and passenger operations along the 10,500-mile road to a standstill ..... **p. 8**

'Railroad breakthrough in 1962'

AAR President Loomis predicts that historians writing of the rebirth of railroading "will date it as beginning in this year of 1962" ..... **p. 9**

First crewless freight train

Automatic train operation around the clock all year long is being used by the Iron Ore Co. of Canada in a huge ore-haulage job in Newfoundland **p.12**

Wheel slip control system helps Western Maryland

The system helps diesel locomotives maintain uniform draw-bar pull, reduces sand consumption about 75%, and permits higher train speeds on grade **p.18**

RSMA's answer men tackle L&D problem

Recent sessions in Chicago focused on shipper, manufacturer, container-designer and researcher views on combatting loss and damage **p.24**

NYC files 'realistic' new tariff for LCL

The new charges are based on the road's belief that "the shipping public is willing to pay a compensatory rate for a well operated, dependable service" **p.28**

'Merger or bankruptcy,' warns Perlman

The New York Central president told an ICC hearing last week that a union with PRR is the only way to keep NYC out of receivership **p.32**

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Mr. Robert G. Lewis, Publisher
Railway Age,
30 Church Street,
New York 7, N.Y.

Dear Mr. Lewis:

For over 60 years, the Atlanta Freight Bureau has been active in rendering to its members a full traffic and transportation consulting service on a strictly non-profit basis. We now have on our roster approximately 525 business and industrial concerns, the majority of which are directly concerned with, and affected by, rail transportation.

To effectively serve these members, it is necessary that our organization keep abreast of the full development of events relating to the railroads of our country; and we have found Railway Age to be extremely important to us in following the rail story. Your editorials are constructive; your news items are timely; and your articles are interesting and informative.

We appreciate the help your publication has given us.

Yours very truly,

Caughey B. Culpepper

Secretary and General Manager

avc

CONTINUING CHAMPION OF SOUTHEASTERN INDUSTRIAL PROGRESS SINCE 1902

WEEK AT A GLANCE

ICC examiner backs merger of ACL, SAL

In urging the Commission to permit creation of the 9,800-mile Seaboard Coast Line, Examiner Blond recommended some unusually restrictive conditions .....p. 34

The Action Page: Work rules—a moral issue

Attempts to make people believe railroads are prospering, when those making the attempts know the opposite is true, can be described only as immoral p.38

Short and Significant

Average carrying capacity . . .

of the 1,577,242 freight cars in the Class I fleet rose to 56.12 tons per car on Aug. 1, compared with 55.61 tons a year ago, according to the AAR.

N&W has petitioned the ICC . . .

for authority to lease the 132-mile Pittsburgh & West Virginia for $915,000 a year in the event the N&W-NKP-Wabash consolidation is approved (RA, April 2, p. 32).

New president of the Delaware & Hudson . . .

is John P. Hiltz, Jr., 50, formerly vice president—operations. He succeeds William White, who will continue as chairman and chief executive officer.

The Reading has acquired the Lehigh & Susquehanna . . .

a 105-mile line between Phillipsburg, N.J., and Wilkes-Barre, Pa., from Lehigh Coal & Navigation Co. for $500,000, subject to approval by the ICC.

Current Statistics

Operating revenues		
6 mos.,	1962	$4,703,650,132
6 mos.,	1961	4,417,470,000
Operating expenses		
6 mos.,	1962	3,713,490,394
6 mos.,	1961	3,594,534,970
Taxes		
6 mos.,	1962	531,960,577
6 mos.,	1961	482,452,262
Net railway operating income		
6 mos.,	1962	265,495,659
6 mos.,	1961	145,845,950
Net income estimated		
6 mos.,	1962	171,000,000
6 mos.,	1961	62,000,000
Carloadings revenue freight		
34 wks.,	1962	18,715,558
34 wks.,	1961	18,133,289
Freight cars on order		
Aug. 1,	1962	13,192
Aug. 1,	1961	10,644
Freight cars delivered		
7 mos.,	1962	23,165
7 mos.,	1961	20,011
Serviceable cars		
Aug. 1,	1962	1,444,431
Aug. 1,	1961	1,476,781
Cars awaiting repairs		
Aug. 1,	1962	132,811
Aug. 1,	1961	151,500

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Job-Freeze Pickets Shut Down C&NW

► **The Story at a Glance: Despite marathon bargaining sessions lasting until well past midnight last Wednesday, the Order of Railroad Telegraphers and Chicago & North Western failed to settle their five-year-old job-freeze dispute and at 7 a.m., Aug. 30, some 1,000 C&NW Telegraphers walked off their jobs. Picket lines went up around major C&NW installations in nine midwestern states, completely shutting down the 10,500-mile road. The strike stranded 35,000 daily commuters in the Chicago area, halted 20 intercity passenger trains and idled 15,000 other North Western employees.**

"We realize the public has its problems, but we have ours, too." So remarked G. E. Leighty, president of the Order of Railroad Telegraphers, at one point in the intensive bargaining sessions conducted last Wednesday in an eleventh-hour attempt to avert a shutdown of the 10,500-mile Chicago & North Western.

Mr. Leighty's refusal to budge from his demand for veto power over all job abolishments within ORT's jurisdiction has idled 16,000 C&NW employees with a strike that has been editorialized as "indefensible" and an "outrageous abuse of union power." The Telegrapher demand for a job-freeze was served on the North Western nearly five years ago and since then the dispute has been in and out of the courts and has been investigated by a Presidential fact-finding board. Last April the emergency board recommended the union withdraw its demands and negotiate a comprehensive program of employee protection

The final pre-strike discussions between C&NW and ORT representatives were led by Labor Secretary Goldberg. Assisting Mr. Goldberg were Labor Undersecretary W. Willard Wirtz, National Mediation Board Chairman Francis A. O'Neill, Jr., and Chicago Mayor Richard J. Daley. Facing each other across the bargaining table in a sixth floor courtroom in Chicago's Federal Building were North Western officials Ben W. Heineman, chairman; C. J. Fitzpatrick, president; and T. M. VanPatten, director of personnel; and ORT's negotiators, President Leighty; R. C. Williamson, C&NW general chairman; and L. P. Schoene, union attorney.

Bargaining got under way at 10:30 a.m. Aug. 29 and with a break for lunch continued until recess for two hours at 8 p.m. At 10 p.m. the sessions resumed, this time in the office of Mayor Daley, and lasted until 2 a.m. Aug. 30, just five hours before the strike deadline.

Mr. Goldberg had entered the meeting confident that the strike could be avoided. "We are here to work with the parties," he said, "and try to avert a shutdown. This is of great concern to your mayor, to the communities and states involved and, of course, to the President and the national Administration. It is in the interest of the public and the parties that an equitable and peaceful settlement be reached."

Not so sure that the strike would be called off was Mr. Leighty. As he entered the meeting he told the press that the "strike still stands. The only thing that can sop it now is a signed agreement."

Agency plan involved

C&NW Chairman Heineman said only he was present "because the President asked me to come." He referred all other questioners to a full-page advertisement North Western had placed in Chicago papers that day saying, "Our ad speaks for itself." The ad, explaining North Western's position in the dispute, began, "The Order of Railroad Telegraphers has called a strike to impose a complete job-freeze on the North Western Railway." The demand, according to C&NW is the union's way "to keep the railroad from modernizing and making more efficient its station-agency service by consolidating two or more stations in rural areas. The union has sought and still seeks to impose its own private veto on what state regulatory bodies have already approved as in the public interest." The ad also pointed out that an emergency board had concluded that ORT's demand for a job-freeze "would seriously impair efficiency and would represent an undesirable approach to job security."

One new wedge available to the mediators in trying to pry the parties off dead center is a report of another Presidential fact-finding board released while final negotiations were still under way in Chicago. This board, investigating a similar ORT demand on the New York Central, rejected the union demand because it would give the union absolute veto power over "proper managerial functions." In the NYC dispute, the board also recommended protective provisions for affected employees similar to the ones suggested by the board which investigated the C&NW-ORT dispute.

In a statement issued earlier last week, North Western declared, "The right of the union to freeze jobs would bring to a standstill C&NW progress, modernization and efficiency.

"When a transportation company is forced to pay for something that is wholly unnecessary, this is clearly against the best interests of the public it serves—its freight customers and its passengers. It is also against the best interests of the employees as a whole, because the security of their jobs depends on the degree to which that railroad is efficient and modern—and can compete. For those reasons, the strike called by a union more concerned with positions than the welfare of employees will impose unnecessary harm and hardship upon every one directly concerned."

Mr. Heineman emphasized he was willing to discuss with ORT a program of employee protection as recommended by the emergency board. In its report, the board which investigated the C&NW dispute recommended a protective program including:

- Displacement allowances for employees staying in C&NW service on a lower-paying job.
- Furlough allowances for employees deprived of employment.
- Separation allowance as an option to the furlough allowance.
- Moving and traveling expense for employees transferred to another city.
- Continuation of fringe benefits during protective periods.
- Preference of employment to furloughed employees in available positions.
- Training and retraining programs for furloughed people.
- Forty-hour week guarantee for extra-board employees.

'Railroad Breakthrough in 1962'

Last week, AAR President Daniel P. Loomis appeared before the New York Society of Security Analysts to announce that the "death notice" of the railroads—solemnly read before the same group on July 6 by a trucking spokesman—had been premature. "If the rail method of transportation is obsolete," inquired Mr. Loomis, "why are trucks trying so hard to make like railroad trains? According to a recent picture in one of the trade magazines, up to five truck trailers may now be coupled in tandem and pulled like a train behind a single unit of power. If [truckers] will now replace their rubber tires with flanged wheels and run their trains on tracks, they may indeed have an idea for the future." Then Mr. Loomis, in an address entitled, "Railroad Breakthrough in 1962," told why he sees "a bright new future for railroads." Here are excerpts from his Aug. 29 address:

The views of our trucking friends notwithstanding, I predict that the railroad industry is on the threshold of a bright new future of service to the American people, and I further predict that later historians writing of this new renaissance in railroading will date it as beginning in this year of 1962.

Before you send out for men in white coats to take me away in cold sheets, let me explain some of the reasons for my optimism.

First and foremost is the inherent soundness of the rail method of transportation itself. True, the railroads today are handling proportionately less of the total traffic than they were handling before and during World War II. But what other agency of transportation, confronted for so long with heavily subsidized competition and hobbled with absurdly inequitable public policies and laws, could have managed even to survive, much less to be performing almost as much freight transportation service as all their competitors combined?

Where except on railroads are the possibilities for further significant technological advancement, as for example, fully automatic train operation, so limitless or exciting? Technologically, the capability to operate trains automatically without human hands at the controls exists today, and of this no better proof is needed than the half-mile-long automatic subway right here in New York.

My second reason for optimism about the railroads' future is firmly rooted in the fertile soil of growing public understanding and appreciation of railroads and of the basic causes of their difficulties. Newspaper editorial opinion for many months has been almost unanimous in calling for the correction of basic inequities in national transportation policies and laws. And this year, for the first time in history, the federal government has officially recognized and acknowledged its own primary responsibility not only for railroad difficulties but also for much of the transportation mess. . . .

When I last appeared before you in 1959, only a long and seemingly unending series of official and semi-official studies existed to confirm the railroads' repeated charges of grossly inequitable treatment at the hands of government. The fact that those charges are now also confirmed by the President of the United States must rate as one of the most important breakthroughs in recent years—a development of such significance that it is only now beginning to be fully understood and appreciated even by railroad people themselves. . . .

A third reason for optimism results from action already taken by this Congress and the Administration. These include repeal of the 10% federal excise tax on passenger fares effective Nov. 15 and the more realistic depreciation schedules and procedures recently announced by the Treasury. For the most part, the effects of these actions will not be felt until next year and later, but they are certain to be helpful over the long range. Even the judicial branch of the government is lending a helping hand. With increasing frequency they are overturning decisions of the Interstate Commerce Commission that continue to require railroads to hold a rate umbrella over their competitors.

On a fourth vital front, important progress has been made toward eliminating featherbedding practices from railroading and restoring to management some of the rights they must have in order to manage properly. I refer, of course, to the special Presidential Commission on Railroad Work Rules, whose report to the President early this year almost totally confirms the railroads' case for rules' modernization. Delaying tactics by the unions involved have unfortunately postponed the date when necessary changes can be made effective, but changes there will be. . . .

A fifth significant straw in the wind is the current trend toward mergers and consolidations. Far from being a sign of retrenchment, as some contend, today's railroad merger movement is the healthy and inevitable result of more efficient operations made possible by the rapid growth of railroad technology. Soundly conceived and soundly executed mergers will benefit railroads and all who depend upon them just as surely as skillful pruning benefits a tree. Inevitably, the result will be continued healthy growth. . . .

It is for these reasons, as well as many others, that I predict a bright new future for railroads and why I believe that historians of the future will mark the new era as beginning in 1962. . . .

As **Railway Age** magazine put it only one month ago: "The day-to-day ups and downs that make gloomy reading at the breakfast table tend to obscure the underlying reasons for the wave of optimism that is beginning to sweep the industry. It is true that railroad traffic has been disappointing. Neither can it be denied that the $102-million-a-year pay boost won by the non-ops came as a bitter blow. But long-range prospects for railroads were seldom more encouraging."

To our friends in the trucking industry who profess to see our future in a different light, I remind them of the reply Winston Churchill is reported to have made early in World War II when told that Adolf Hitler had threatened to deal with England as one would wring the neck of a chicken. Said Mr. Churchill with typical brevity and inimitable clarity of expression: "Some neck, some chicken."

WATCHING WASHINGTON WITH WALTER TAFT

• **UNRESTRICTED TRUCKING RIGHTS** granted to railroads in the future will be confined to routes which no independent trucker wants to serve. That seems to be what the ICC said when it recently changed its mind and decided not to grant unrestricted cement-trucking rights to Lehigh Valley's affiliate, Black Diamond Transportation Co.

THE ORIGINAL DECISION, in No. MC-19201 (Sub-No. 108), was based on findings that the railroad affiliate had made a showing of "special circumstances" which justified waiver of the usual tie-to-rails restrictions. The "special circumstances" included the financial plight of Lehigh and the fact that the cement traffic at stake came from a producing area served by that road long before competing truckers were on the scene.

THE ABOUT FACE came in a report on reconsideration, issued after oral argument at which proponents of the reversal were trucking interests, including American Trucking Associations. The report embodies a determination that, because independent truckers are willing to handle the cement traffic, the Commission made a mistake in considering Lehigh's financial plight and the road's assertion of right to follow the traffic as "special circumstances." Whether they are is a "broad policy question" for Congress to decide, the Commission now says.

SEVERAL SEPARATE EXPRESSIONS came from individual commissioners, including Commissioners Tuggle, Hutchinson and Tucker who would have adhered to the grant of Black Diamond's application. Commissioner Goff would have granted also similar applications of other railroad affiliates which were denied in the original decision but which were also up for reconsideration.

THUS, the rule of the Rock Island case seems to be the remaining guide on "special circumstances" which justify unrestricted trucking operations by railroads. The "special circumstance" in that case was the failure of independent truckers to provide complete service. In upholding the Commission in this Rock Island case, the United States Supreme Court took occasion to point out that nothing in the Interstate Commerce Act requires "that any railroad operation in the motor truck field be unprofitable."

• **CONFLICTING ADVICE** as to its investigation of piggyback operations is now before the ICC. Eastern railroads have suggested that the probe be limited to piggybacking issues not previously resolved. The Regular Common Carrier Conference of American Trucking Associations asks that the inquiry be a "broad scale investigation of piggyback rates and practices."

THE INVESTIGATION is Ex Parte No. 230, instituted by the Commission's order of June 29 (RA, July 9, p. 7). Its scope is such that it could include reconsideration of determinations made more than eight years ago in the New Haven case.

THAT WAS THE CASE wherein the Commission answered "basic and fundamental" questions posed by trailer-on-flat-car operations, the most important of its determinations being the holding that transportation of freight in trailers on railroad flat cars is railroad transportation for which no trucking certificate is required. The new investigation's present schedule calls for a prehearing conference October 9.

• **LOWER FUEL PRICES** were mainly responsible for an April-to-July drop of 1.7 points in the AAR index of prices paid by railroads for fuel, materials and supplies. The July index of 100.2 compared with April's 101.9. With fuel excluded, the drop was only two-tenths of a point—102.9 compared with 103.1.

N&W Runs Its First 'Unitized' Train

The Norfolk & Western's first "unitized" coal train left Roanoke, Va., at 7:50 a.m. Aug. 29 on a through run to South Amboy, N.J. The test delivery of 110 carloads (7,730 tons) of coal to Consolidated Edison Co. was handled by the Pennsylvania from the N&W's northern terminal at Hagerstown, Md. to the New Jersey piers, where the coal was dumped into barges for movement to the power company's generating plants in the New York City area.

According to N&W President Stuart T. Saunders, the train—expected to be followed by a series of similar shipments—was "the first substantial all-rail movement of Southern Appalachian coal to New Jersey since World War II." It moved under a recently published tariff allowing lower rates for shipments of 100 or more 70-ton carloads billed on the same day from a single origin group to the same consignee.

Mr. Saunders called the train "the first step towards future shuttle movements between coal fields and large consumers. We hope," he said, "that it is a forerunner of an annual movement of at least 1,000,000 tons from Southern Appalachian mines to the New York utility market. This train and those to follow in the next few months will utilize standard equipment but will demonstrate, through fast delivery and speedy car turnaround, that such unit trains provide the most dependable and economical methods of delivering coal to high-volume consumers."

The test train, designed "TL-1," had locomotive units at both head and rear ends. Its schedule called for brief stops only for crew changes and for a change from N&W to PRR locomotives at Hagerstown. Cars were to remain coupled, bypassing much of the normal yarding and switching en route.

The N&W-PRR test continues experiments or studies of fast through volume movements of coal made in recent months by the Pennsylvania, New York Central, New Haven and Baltimore & Ohio (RA, April 9, p. 17; April 30, p. 56; July 9, p. 7). Tests to date have used standard equipment but have operated it in a manner somewhat similar to that proposed for the so-called integral train.

In a comparable "unit train" operation, the Southern has been using its new high-capacity aluminum gondola cars to deliver upwards of 6,000 tons of coal on a scheduled daily trainload basis from Alabama mines to the Southern Electric Generating Co. plant at Wilsonville, Ala.

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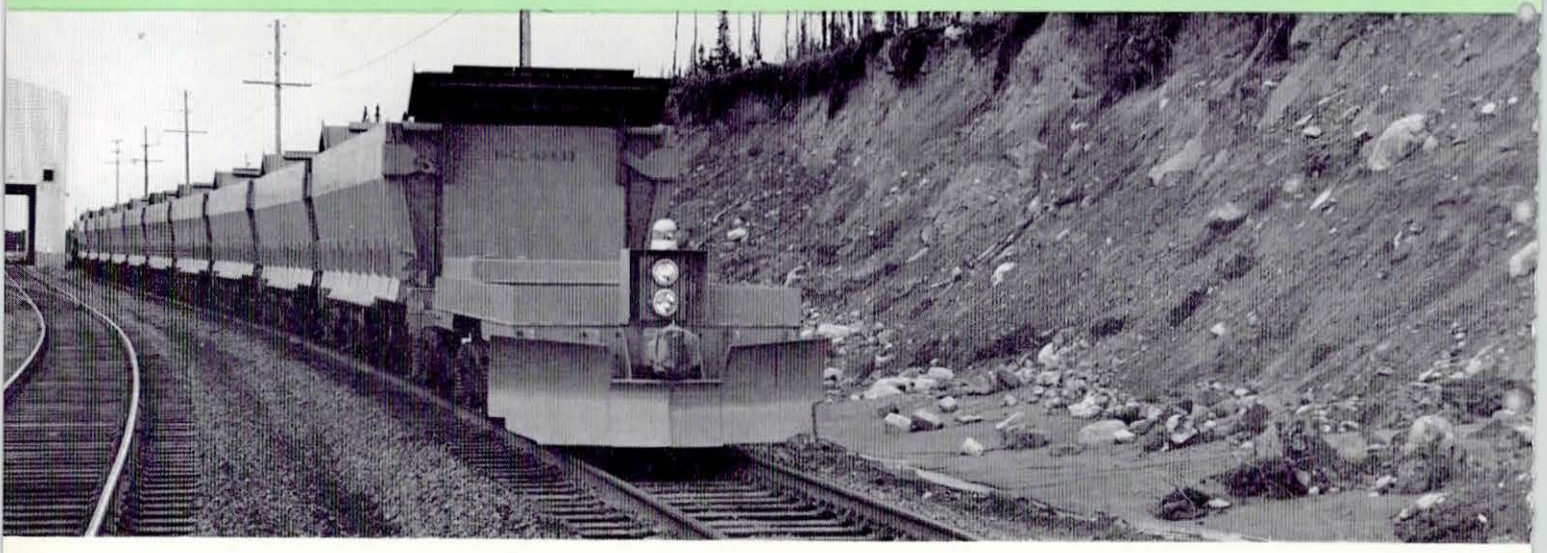


The world's first crewless freight trains, four 18-car ore trains, are shuttling between a loader and dumper on a six-mile railway line in western Labrador. The single-track railway, located near Labrador City, is capable of handling 55,000 long tons (2,200 lb per ton) of crude ore per day. Each of the four trains is powered by a conventional GP-9 diesel-electric locomotive. The automation controls — built by General Railway Signal Co. — provide for completely automatic, simultaneous operation of four trains. Top photo shows loading of ore; below—empty train returns for loading. This on-the-scene report is by Railway Age's signal and communications editor, Bob McKnight.

LABRADOR CITY, NFLD.

Automatic train operation around the clock, 24 hours daily, seven days per week the year round, is enabling the Iron Ore Co. of Canada to haul 20 million long tons annually of crude iron ore from loading pockets at the mine site to a dumper at the crusher site. Four 18-car ore trains are shuttling back and forth along a 5.7-mile line, each taking approximately 80 minutes for the round trip from loader to crusher.

The Labrador ore trains are believed to be the first crewless freights to go into service anywhere in the world. The USSR has conducted experiments with a crewless train using a locomotive-carried computer—but so far automatic operation in Russia, as in the U.S., has been limited to crewless subway trains (which have gone into service in both Moscow and New York City in the last 12 months).

In the ore-haulage installation, conventional GP-9, 1,750-hp locomotives are used to haul 100-ton ore cars which are side dumped. The operation of each locomotive is directed automatically from the wayside by coded AC current. The code consists of AC energy at 60 cycles that is interrupted 37.5 (service brakes), 75 (7.5 mph), 120 (15 mph), 180 (30 mph), or 270 (reversing) times per minute. The code rate, or the lack of a code, determines the nature

of each command given to a train.

The inching (⅛ to ⅜ mph) or slow speed, during loading and during precision spotting for dumping, is controlled by tone-modulated 960-cycle carrier signals. These signals are applied to wire loops between the rails.

The AC-coded controls and tone controls, or commands, are transmitted continuously in the rails toward the movement of the train, providing a positive and continuous check of track conditions, such as broken rails, switch position, or the presence of other trains. On the train, these commands are picked up by receivers, inductively coupled to the rails. The commands are compared with actual train speed, as detected by an electronic speed governor. The resultant output is then converted to relay operation, automatically controlling the throttle and brakes in a proper manner for best locomotive handling.

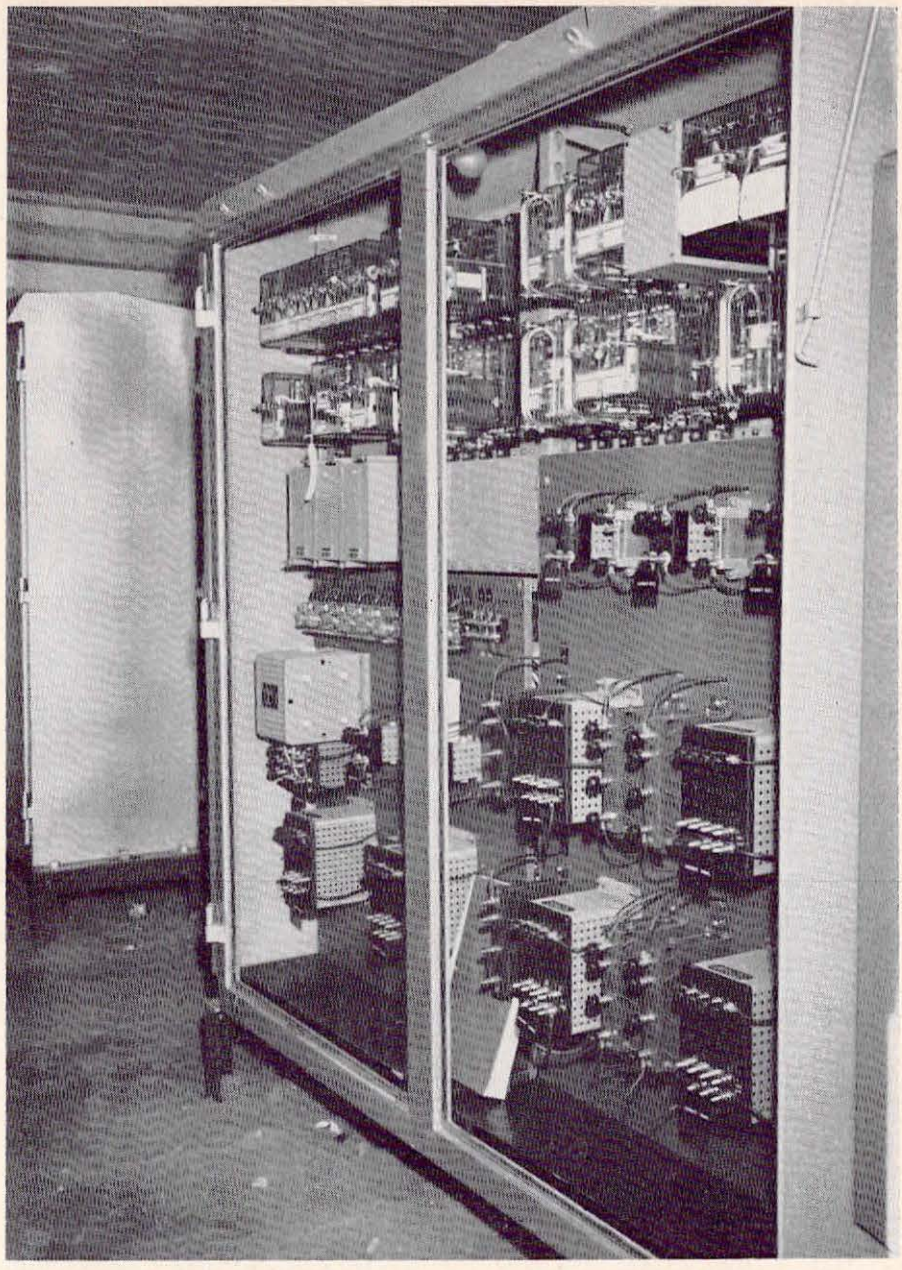
Each train is arranged so that its locomotive pulls the loaded cars to the dumper (crusher) and pushes the empties back to the loader at the mine. Since the locomotive is always on the dumper end of the train, a special car on each train is also equipped with code-receiving equipment, because this car will lead when empties are pushed back to the loader.

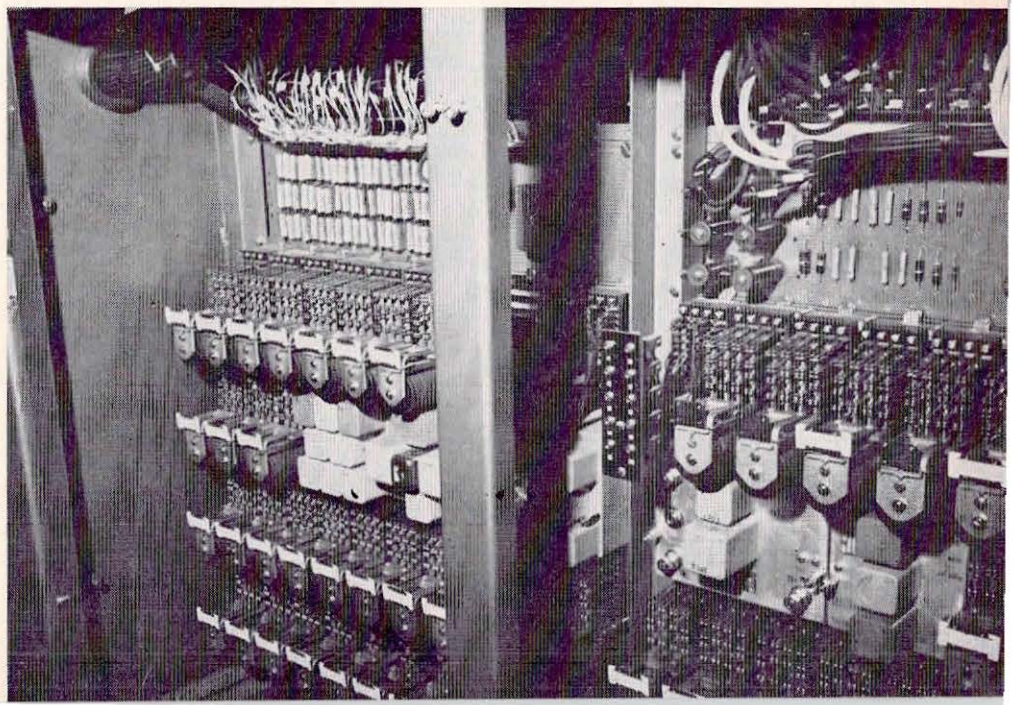
At the loading point, the automated locomotive pushes the empties into a tunnel, stops, reverses, and draws them slowly out (⅛-⅜ mph) as they are loaded from a chute in the tunnel roof.

When the train is loaded, the loader operator pushes a button to send the train on its six-mile automatic trip back to the dumper (crusher) at speeds up to 30 mph. Before the train starts, however, the block system checks ahead to the siding to determine whether it is safe for the train to proceed. Loaded trains operate on the main line only, and empty trains take the main line or the siding. Under ideal speed conditions, and for optimum performance, each loaded train makes a non-stop meet with an empty train at the passing siding near the loaders.

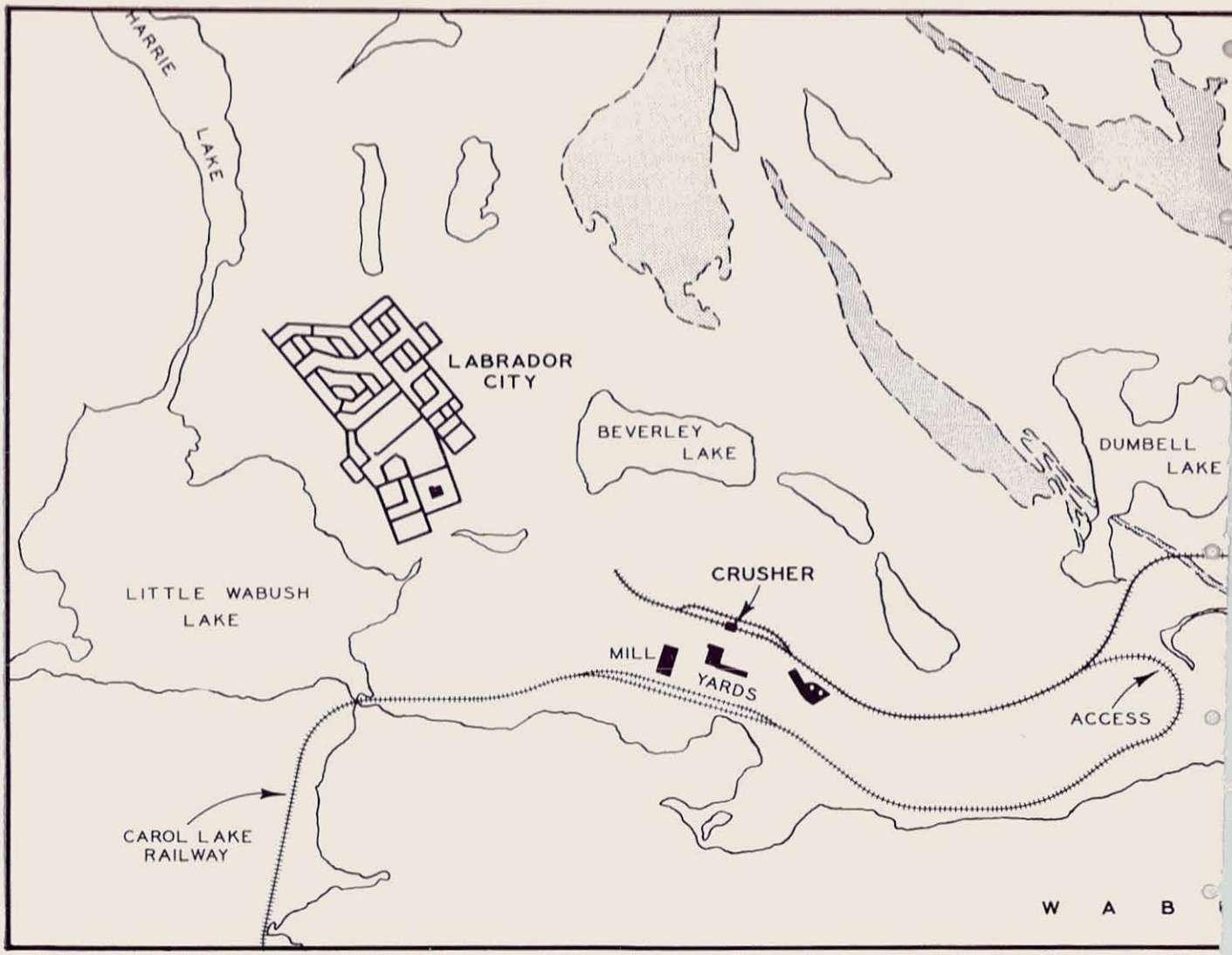
Of the several things that impressed this visitor to this area—it is remote, being about 650 miles north of Montreal, Que., on the western edge of Labrador—the two outstanding are the magnitude of the job of mining the ore (it's earth moving on a vast scale) and how much conventional equipment was utilized in the automatic train operation. This latter fact means that a more widespread application of ATO is possible than has been heretofore realized.

The amount of material to be moved —55,000 tons daily—from mine to crusher necessitated a railway. The crude hematite ore has about 37% iron, which after crushing and concen-





WAYSIDE EQUIPMENT (above) includes GRS code transmitters that send 60 cycle AC into the track rails. Receiver coils on the locomotive inductively pick up these codes, actuating locomotive-carried control equipment (below).



AUTOMATIC TRAIN OPERATION is along the railway line from the loading pockets (right) to the crusher (left)

trating is brought up to 66% iron for shipment to Sept-Iles.

Just to give an idea of what's involved, here are some figures: An average of 2 ft of overburden is washed off first. Next, holes are drilled for blasting. A normal blast, I was told, will loosen 300,000 tons of crude ore. The ore is loaded by Marion electric shovels with 10 cu yd buckets into Euclid tractor trailers holding 100 tons. Driven down to the loading site, the trailers are side dumped into a hopper. When in full operation, IOC will have three shovels and 15 trucks in service at a time with one shovel and 5 trucks out for servicing.

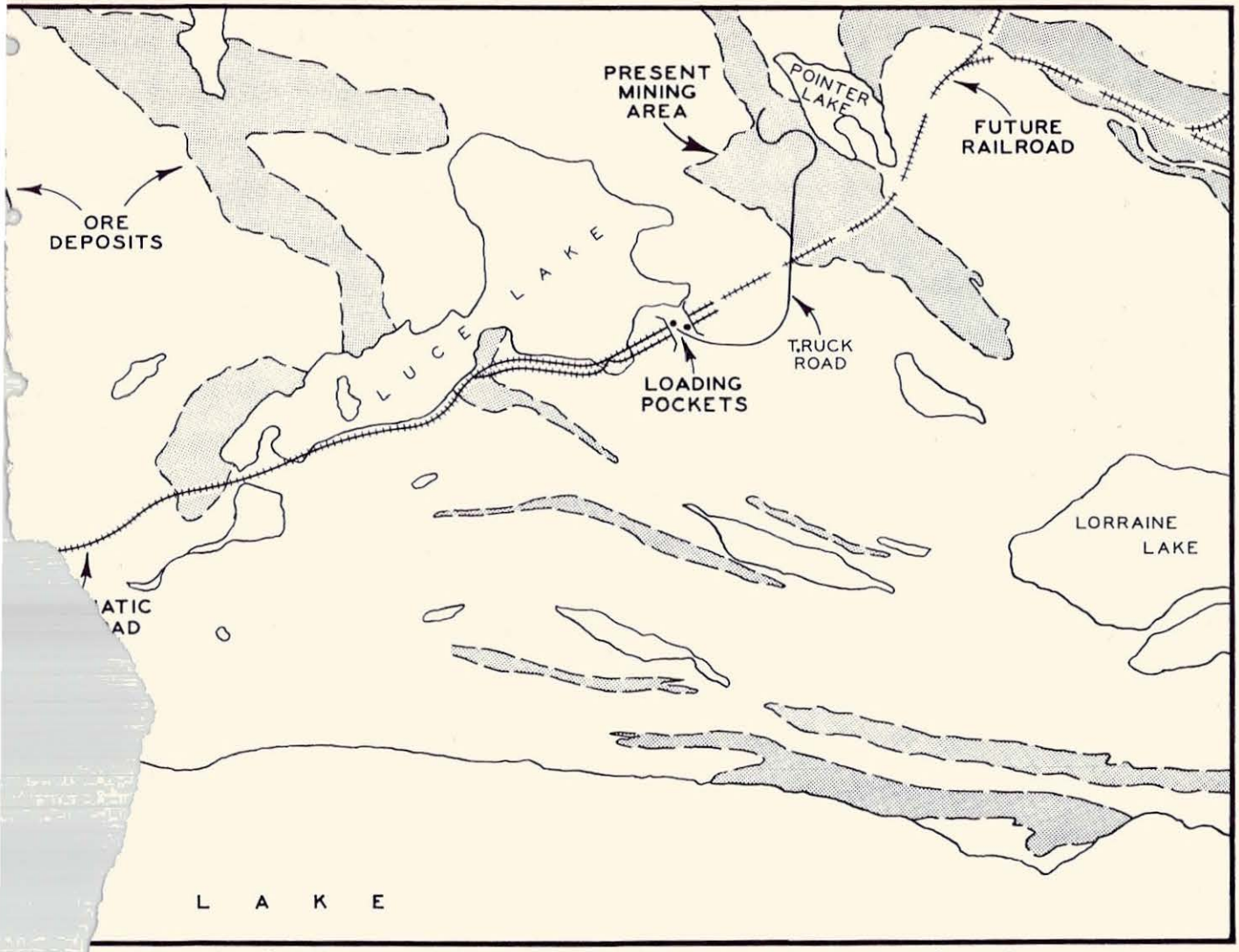
The crude ore, which may be in chunks up to 6 ft in diameter, is loaded into the 100-ton ore cars for hauling to the crusher or dumper. There, an initial crusher chews up the ore into 6-in. bites. Next, the ore travels through six airfall mills which use steel balls to grind the ore. Finally, the crude is put through three stages of spirals or centrifuges for separating the iron from the rest of the material. At this stage, the powder-like material is 66% iron, which is loaded into Quebec North Shore & Labrador cars for hauling to Sept-Iles. To sum it up, 2.2 tons of crude ore produce 1 ton of concentrate ready for shipment.

To handle this volume of material between mine and crusher, an automatic operation was necessary It takes only one minute to dump the ore trucks, one minute to load each railway car and another minute for unloading from railway car into the crusher. The railway cars, built by National Steel Car, are side dumped. They are equipped with Cobra brake shoes, Timken roller bearings, and type E couplers. The locomotives are 1,750-hp Montreal Locomotive Works GP-9s. They had been in service on the QNS&L prior to this new assignment.

Upon looking into relay housings, I found conventional GRS code transmitters, code following relays, etc., normally used with coded track circuit installations. To be sure, there are many new engineering techniques that went into this automatic train operation installation, but the amount of conventional equipment would seem to indicate that ATO has a bright future.

And it has, if the comments heard from others who inspected this automatic ore haulage system are any indication of things to come. Several persons remarked that ATO is a natural for several similar mining operations that are now in service. One, for example, might be copper ore haulage on the Bingham & Garfield between the Bingham, Utah, copper mine and the smelter at Garfield, about 16 miles. General agreement was that the labor and political problems would be the most severe to overcome in the application of ATO.

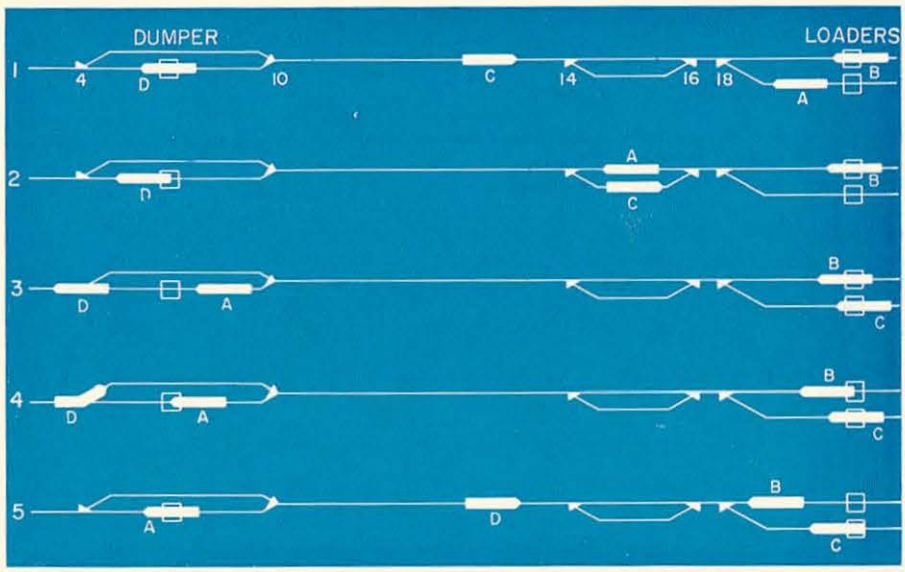
There was some comment that this Newfoundland ATO installation might be extended to the 37-mile line that connects Labrador City to the mainline of the QNS&L 224 miles north of Sept-Iles. In this connection, there was much interest in what the Wabush



ce of about six miles. Line has a continuous 0.2% descending grade from pockets to the crusher.

ron Co. is going to do. Wabush Iron, jointly with Iron Ore Co. of Canada, built the 37-mile connection to the QNS&L.

Wabush was recently refused trackage rights over the QNS&L by Canada's Board of Transport Commissioners. Although Wabush interests had indicated they would build their own railroad down to the St. Lawrence—a connection is now being built from the QNS&L just north of Sept-Iles to Pointe Noire across the bay—I gathered that while there is much talk about building a separate railroad, there is a good chance the excellent cooperation between the two companies being exhibited at the mine sites will prevail and that QNS&L will come to some rate agreement with Wabush Iron. QNS&L had asked for $2.50 per ton to haul Wabush iron, which Wabush felt was too high. As the Wabush mines will not be in production for another year or so, informed observers say there is plenty of time to negotiate a satisfactory agreement between them.



HOW FOUR ORE TRAINS ARE RUN: Loaded train A starts for the dumper (crusher), while train B is being loaded, train D is being unloaded, and empty train C is en route to the loader. Loaded train A makes a non-stop meet with empty train C, while loading and unloading of the other trains continue. Loaded train A arrives at the dumper as empty train D departs. Trains B and C are both now being loaded. Empty train D starts back to the loader as train A starts to unload. The cycle now repeats, train B is ready to start for the dumper.

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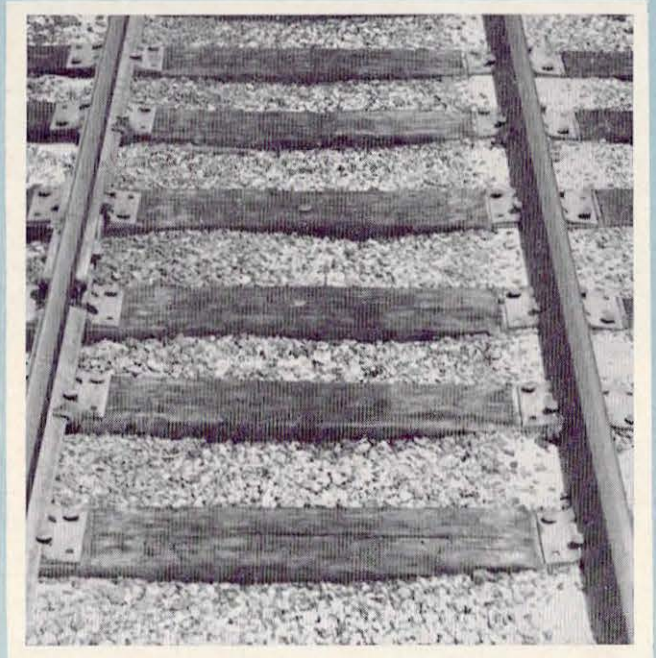
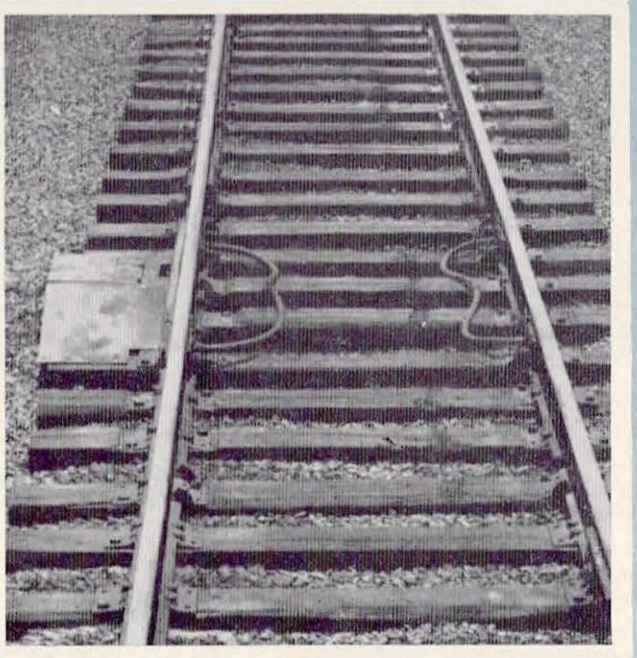
WHEEL SLIP CONTROL on diesels boosts tonnage train operating performance on WM's mountain grades.



CONTINUOUS SANDING of diesel units without wheel slip control puts white layer of sand on ballast. Flange oilers located ahead of mountain grade curves are responsible for many spots of low adhesion.



Wheel Slip Control Helps WM Operation

A low-speed diesel wheel slip control system has been developed jointly by the Westinghouse Air Brake Company and the Western Maryland. The system helps diesels maintain uniform draw-bar pull, reduces sand consumption about 75% and permits higher train speeds on grades.

By C. L. COMBES
Mechanical Editor

Five Western Maryland GP-9s at the head end of Extra 40, a drag tonnage train, climbed the Blue Ridge mountains eastward out of Hagerstown, Md., on July 26. This is not unusual. The 72-car coal train of 6,260 actual tons was approximately normal rated drag tonnage for the five 1,750-hp diesel units on WM's mountain grades between Hagerstown and Port Covington (Baltimore) Md.

The unusual aspect of this train's operation was the diesels' uniform delivery of tractive force throughout the climb up the grades, and the minimum use of sand ascending the grades.

All five units were equipped with a wheel slip control system for low-speed service developed by the Westinghouse Air Brake Company in cooperation with the WM. Essentially, the system uses an automatic light air brake application (16 psi) and automatic sanding (5 sec. duration) to correct wheel creep, and a combination of these two control measures with automatic power reduction to arrest a wheel slip of greater magnitude.

Aboard the train on July 26 as observers were G. M. Leilich, WM vice president, operations; G. M. Beischer, the road's chief mechanical officer, and a Railway Age editor.

The operation of Extra 40 demonstrated the effectiveness of the wheel control system. All wheel slips were quickly suppressed. Automatic brake application and sanding took place only on the diesel unit whose sensing devices detected wheel slip. No manual sanding was required. Occasionally, slip control required power reduction but with the maximum observed reduction on the load meter being 25 amperes the loss of tractive force was small.

It was estimated conservatively that train speed was increased at least one mile per hour up the grades by the more uniform tractive force and the minimum use of sand. This increase appears to be minor, but with drag tonnage speeds on those mountain grades in the 10 mph range the increase boosts train speed at least 10% and reduces grade operating time correspondingly.

The evaluation of the speed increase was not made on the basis of the July 26 demonstration run alone; it has been confirmed by comparing many previous test runs with operation of similar tonnage trains without pneumatic wheel slip control.

From the lead unit no sand could be observed flying along either the diesel units or the head-end cars. Heavy manual sanding, a normal procedure without this wheel slip system, is reported to cloud the air with sand and frequently causes personnel in trailing units to close cab windows for protection. From the caboose, train personnel reported they did not detect any power surges or jerking of the train. The smooth application of tractive force eliminated surges that produce accordion action in trains and increase the possibility of train separations.

During the July 26 run good weather prevailed and the rails were dry. Even under those favorable conditions this observer noted over 50 automatic brake applications and several instances of light power reduction to correct wheel slips on a four-mile, 1.61% grade. Spots of low adhesion are frequently found on rails during the best weather conditions (RA, Jan. 4, 1960, p. 16). Oil on the rails in the vicinity of automatic flange oilers was observed at several locations during the demonstration run and was responsible for many slippery spots encountered during the trip.

Back of the demonstration run was over a year's development work. In April 1961 the WM was searching for a low-speed wheel slip control to replace existing control measures. Wheel slip control in train operation was, and for the most part still is, obtained through manual sanding and by either manual or automatic partial or complete removal of power from the traction motors. These control measures were considered undesirable for several reasons:

- Sand can damage electrical transmission and control equipment and increase wear rate of engine and truck parts.
- Sand and wheel slip combination increases wheel and rail wear.
- Continuous sanding raises train resistance, requires more tractive force.
- Power reduction to control wheel slip decreases train speed.
- Reduction and reapplication of power on a slipping unit transfers work to other units, making them more likely to slip. It also can create train surges that increase train separation possibilities.

The WM and Westinghouse Air Brake decided that the answer to these objectionable conditions might be found by application of pneumatic wheel slip control. It was believed that a combination of fast-operating air brake suppression equipment and the braking characteristics of composition brake shoes offered the best chance of success. Also, they believed that better wheel-to-rail adhesion would result with composition shoes maintaining wheel contour and clean, smooth treads.

Initial application of the slip suppression system was made to WM GP-9 diesel unit No. 40, already equipped with Cobra brake shoes. The equipment consisted of two high-capacity magnet valves, one pressure switch, two double check valves and two cut-out cocks.

Briefly, the wheel slip suppression system operates as follows: When a wheel creep is picked up by the WCR (Wheel Creep) relay the magnet valves at each truck are energized and main reservoir pressure, limited to a predetermined value by the setting of the pressure switch, is supplied to all brake cylinders of the slipping unit. The normal trainline wheel slip light is illuminated and automatic sanding is provided for five second duration. If this action suppresses the creep the WCR relay drops out and no further action is taken.

If the WSS (Wheel Slip Series) relay picks up the suppression brake is energized, automatic sanding provided, trainline wheel slip indication given and normal battery field contactor drop-out occurs, resulting in partial power

reduction. Should the slip be of the type to pick up either the WS-13 (Wheel Slip-Nos. 1 and 3 traction motors) relay or WS-24 (Wheel Slip-Nos. 2 and 4 traction motors) relay, the suppression brake is energized, automatic sanding provided, trainline wheel slip indication given, and both battery field and shunt field contactors are dropped out, resulting in a greater unloaded condition. No change is made in the pick-up values for the wheel slip relays or the normal wheel slip unloading procedure of the unit as supplied by the builder.

No. 40 was service tested for 10 months before additional units were equipped to permit multiple-unit slip-suppression tests. It was instrumented to obtain a film record of speed of each axle, train speed, pick-up and drop-out of wheel-slip relays and sanding relay (to measure sand consumption), drop-out of shunt field and battery field contactors, and brake cylinder suppression pressures.

During most tests No. 40 was operated as the lead unit because most slipping occurs at that location. Test data and observations indicated that 16 psi was the optimum suppression pressure and the pressure switch was set for that amount. It also showed that brake suppression of wheel slip reduced wheel-creep and power-reduction time approximately 50%.

The improved performance of No. 40, along with a large reduction in sand consumption, resulted in equipping four additional GP-9s and one F-7 "A" unit. In addition, the Western Maryland has authorized application of the system to four more F-7 units and one Alco RS-3 unit.

All units were equipped with a cut-out toggle switch inside the high voltage cabinet. When the switch is moved to off position the brake suppression is cut-out but automatic sanding is maintained when any wheel-slip relay is energized. Two GP-9 units were not equipped with composition shoes to permit comparison in service with two GP-9 units with composition shoes.

A drag tonnage test of the two units with cast-iron brake shoes and new wheels produced severe slipping and unloading of main generator on a 1.6% grade. Chattering of the brake rigging was pronounced and it was believed that sloughing of the cast iron shoes intensified the slipping. The slipping and reduction in power caused an almost complete loss of train speed. Other tests showed that when amperage did not exceed 850, with a corresponding speed of 12 mph and above, the cast-iron brake shoes operated satisfactorily. Because WM's drag tonnage operation frequently requires greater amperage and lower speeds, the two units were equipped with composition shoes.

Under actual operating conditions a comparison was made of the sand used on four units equipped with wheel slip suppression and four units not so equipped. Two trains were run for 6 days each over the same section of the railroad and used the same train crews. Total sand used on the four units equipped with wheel slip suppression was 155 lb; the total sand used on the four units not so equipped was 2,000 lb.

All test runs with wheel-slip-suppression-equipped units have consistently shown a 70 to 80% reduction in sand consumption. As an example, six wheel slip units hauling a tonnage ore train from Baltimore west used a total of 585 lb of sand to control wheel slip on a bad rail. Normal operation under these conditions is continuous use of sand under all units on grade. It is estimated that normal operation would have consumed approximately 2,340 lb of sand (65 min on grades x 6 units x 4 sand traps x 1.5 lb minute sand delivery).

Undoubtedly, some of the marked decrease in use of sand results from using sand only when the slip detection indicates sand is required. That is, the wheel slip suppression system makes it possible to wait until wheel slip is indicated before sanding the rail. By doing this automatically the human element is taken out of the decision to lay sand. When sand is manually controlled the engineman has little choice in tonnage grade operation except to continuously sand all units, since he can not predict the exact point of slippage or what units will slip.

Continuous use of sand under all units results in decreased train speed and increased draw-bar pull because of increased train resistance with sand on rails. On several test runs, wheel slip suppression was cut out on grade and manual sanding was used to observe the effect of heavy use of sand on train speed. Train speeds consistently decreased from one to one and a half miles per hour in a distance of slightly more than one train length.

One interesting aspect of this joint investigation of wheel slip control has been and is the fine cooperation between WM and WABCO personnel. Test reports were signed by the men from both companies who supervised the development work and tests. Officers of the railroad and the air brake company received the same reports, so no misunderstanding would exist in evaluation of test data and observations. In addition, bulletins to WM enginemen explained the wheel slip control system, told them about anticipated advantages, asked for their cooperation and comments.

The system is of known value in suppressing wheel slips in high-speed operation. On the Western Maryland the development work was aimed specifically at controlling low-speed wheel slips. To date it has demonstrated its effectiveness in doing the job for which it was designed: improving drag tonnage train operation in the 10 mph range.

EASTBOUND EXTRA 40 moves by Emory Grove, Md., after smooth operation up 1.61% grade. Five GP-9s equipped with wheel-slip control haul 72-car train.

Langdon Assails A 'Cosy' Situation

"Differentially higher rail rates, plus subsidies, are too cosy a situation," to permit water carriers to consider competitive rates "on principle," B&O President Jervis Langdon, Jr., said in a recent statement before the Senate Commerce Committee.

Mr. Langdon testified in support of legislation—S. 3243 in its Senate version—that would, among other things, free rail transportation of bulk commodities from minimum-rate regulation —a freedom which water carriers already enjoy.

Inland waterway operators can describe themselves as "lower cost" carriers only if they ignore that part of their costs now subsidized by the taxpayers, Mr. Langdon declared, adding: "When this part is included, as it must be if costs are to be comparable, no one knows how the inland water carriers stand. Apparently in their competitive standing with other forms, the water carriers' advantage under the subsidy is thin."

Noting that the proposed legislation would not permit railroads to go below their costs to compete with water carriers, the B&O president went on to emphasize the railroad industry's position that fully distributed costs have no proper role in competitive rate cases.

"The relevant railroad costs," he said, "would not be the so-called fully distributed average costs employed by competitors that have a compelling self interest in high railroad rates to serve as an umbrella. On the contrary, the relevant railroad costs that would be used as a floor for their rate making would be the additional or incremental costs of moving particular traffic. This is the unqualified advice of the cost section of the ICC and every competent economist who has considered the question." Meanwhile, Mr. Langdon said, there is no basis for fears expressed by the ICC, an opponent of the minimum-rate bill, that, with no power to control minimum rates, it would be unable to remedy discriminatory rate practices. "The Commission's power to prescribe nicely balanced rate structures in order to avoid discrimination has much less meaning than it used to have in the old days when railroads handled most of the traffic," the B&O president said. "These historic relationships have been undermined and made academic, at least in large part, by the tremendous growth of exempt and private transportation that does not pay any attention to the ICC or its nicely balanced rate structures."

Ralph O. Williams
D&RGW

Frank K. Veasman
Chicago Malleable

W. Bradley Gilkey
Sparton

C. F. Wert
US&S

PEOPLE IN THE NEWS

BIRMINGHAM SOUTHERN.—Oscar M. Stagg, Jr., purchasing agent, Fairfield, Ala., promoted to manager of purchases and stores.

BRITISH & IRISH RAILWAYS.—Kenneth Parlour, of the New York office, appointed Pacific Coast sales representative at Los Angeles, Calif., succeeding **Malcolm Pynn,** transferred to New York. **Stanley Carver,** assistant passenger manager, New York, appointed Mid-West area manager, Chicago, succeeding **Harry Jennings,** who is returning to Britain.

CANADIAN NATIONAL.—Isaac Lucas, special assistant to the vice president, Prairie region, Winnipeg, Man., retired Aug. 24, after 44 years with the CN.

CHICAGO & NORTH WESTERN.—W. C. Sipchen, superintendent air equipment, retired Aug. 31. **R. A. Kennard** appointed supervisor air brakes and mechanical instruction, Motive Power Department, Chicago. **D. F. Dilgard** named supervisor air brakes and lubrication, Car Department, Chicago.

COTTON BELT.—Joseph W. Dulaney appointed assistant freight traffic manager, St. Louis.

DENVER & RIO GRANDE WESTERN.—Ralph O. Williams, assistant purchasing agent, Denver, appointed purchasing agent there, succeeding **W. G. Luebke,** promoted (RA, July 2, p. 24).

ERIE-LACKAWANNA.—Leon E. Tenney, assistant district sales manager, Chicago, retired Aug. 31.

LEHIGH VALLEY.—T. F. Williams, assistant freight traffic manager, Pittsburgh, Pa., promoted to general freight traffic manager, New York, succeeding **W. A. Grove,** who retired Aug. 31. **John J. Kiernan,** assistant freight traffic manager, New York, promoted to freight traffic manager there.

MILWAUKEE.—J. J. Drinka, assistant to car department superintendent, appointed assistant to chief mechanical officer, Milwaukee Shops, Milwaukee, Wis.

NICKEL PLATE.—H. A. Gilmore, general agent, Minneapolis, Minn., promoted to assistant general freight agent, New York, succeeding **A. J. Hellstrom,** retired. **W. Dave Nelson** succeeds Mr. Gilmore at Minneapolis.

NORFOLK & WESTERN.—Frank R. Broaddus, general agent, Minneapolis, Minn., retired Aug. 31 after almost 36 years of service.

The office of **E. T. Vineyard,** general agent, moved to Suite 603, Columbia Building, P.O. Box 1014, Columbia, S.C.

READING.—T. A. Shields appointed acting transportation assistant, Philadelphia, succeeding **C. W. Piening,** resigned. Mr. Shields, who has been superintendent trucks, Reading Transportation Co., also named acting manager of that company and Karn's Transfer, Inc., succeeding Mr. Piening.

SOUTHERN PACIFIC.—Roy A. Cooper, traffic manager, Central district, retired Aug. 31. **H. F. Dennis** appointed general freight and passenger agent, Central district, and **J. V. Stockton** named assistant to general freight and passenger agent, Central district, both at Houston, Tex.

TEXAS & PACIFIC.—Howard Crouse, manager, purchases and stores, Marshall, Tex., retired Aug. 31, after approximately 48 years of service with the T&P.

Supply Trade

Frank K. Veasman, manager, Railroad Division, **Chicago Malleable Castings Co.,** has been named vice president of that division. **John H. Staiger** has been appointed assistant manager, Railroad Division.

W. Bradley Gilkey has been promoted to the newly created position of general sales manager, **Sparton Railway Equipment Division** of **Sparton Corp.** For the past two years Mr. Gilkey has been serving as supervisor of marketing services of that division and will continue to operate from Detroit.

C. F. Wert, assistant district manager, **Union Switch & Signal Division of Westinghouse Air Brake Co.,** New York, has been appointed district manager there.

James J. Conway, controller, **Evans Products Co.,** Plymouth, Mich., has been elected vice president in charge of overall operations of Evans' **Transportation Equipment and Industrial Division.**

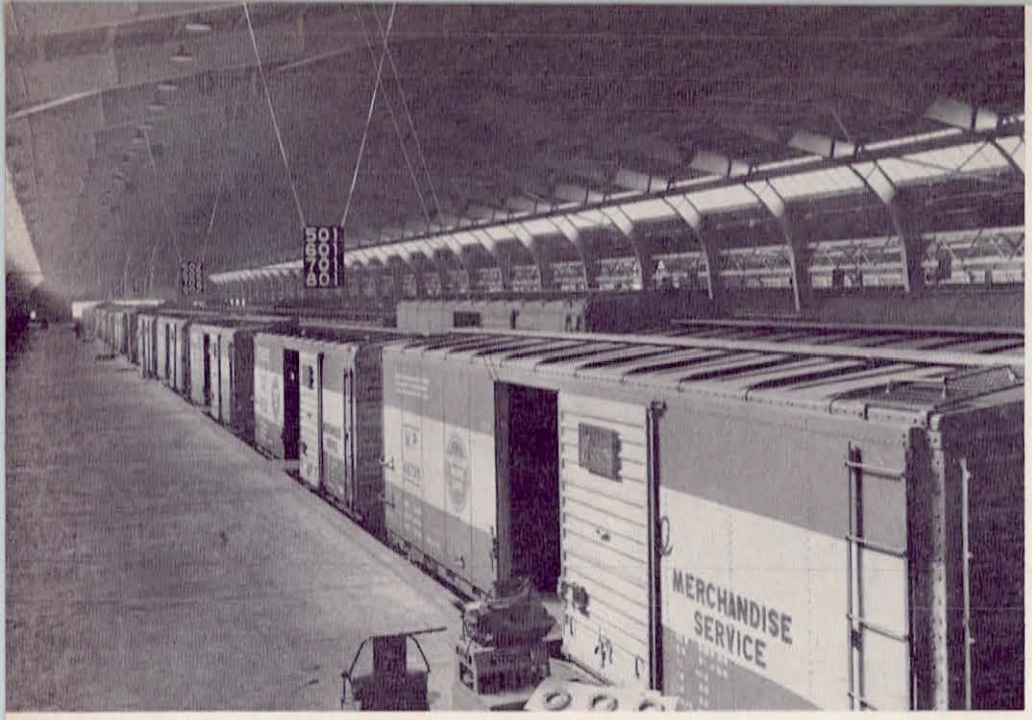
OBITUARY

John H. Andrews, 66, retired general freight claim agent, **Milwaukee,** died Aug. 23 in Providence Hospital, Seattle.

Virgil G. Crull, district freight salesman, **New York Central System,** Kankakee, Ill., died Aug. 15 in Mobile, Ala.

Hubert Hawthorn, 77, who retired in 1955 as mechanical engineer, **Central of Georgia,** died Aug. 20 at his home in Savannah, Ga.

C. L. LaFountaine. 80, retired general safety supervisor, **Great Northern,** died Aug. 17 at St. Paul.



MP'S NEW LCL SYSTEM, when completed late this fall, will have a total capacity of 180 cars. About 160 cars are expected to be handled in a 24-hr day.

OPERATION SPEED-UP—19

MP Plans Automated Handling for LCL

The Missouri Pacific is planning to install an automated and electronically operated system of LCL freight handling at its Miller St. freight station in St. Louis. This will be the first installation of its kind in a railroad freight station, MP states. Contracts for the facility have been let, with General Electric Co. the prime contractor (RA, Aug. 13, p. 44).

The Miller St. freight station, built new and opened in 1952, is MP's largest freight house. It has two main platforms for handling city truck pick-up and deliveries, each of which is 750 ft long, providing space for a total of 131 truck spots. There are adjacent island platforms between sets of railroad tracks, allowing access to 180 box cars standing under one roof.

With full utilization of the new automated equipment, MP studies indicate, 157 freight car loads can be handled in outbound and inbound movements during a 24-hr daily operation. The automated equipment is essentially designed to handle the large volume of LCL traffic that will result from consolidating, at the Miller St. station, the St. Louis and East St. Louis operations of three of the nation's biggest freight forwarders. Virtually all forwarder traffic either originates, or is received from connections, at St. Louis. St. Louis is a break-bulk point, and freight is received in cars from connecting lines, line haul trucks and city shippers for unloading and transfer to railroad cars and line haul trucks for forwarding and for city delivery trucks.

With Missouri Pacific working closely with three big forwarders—Universal Carloading & Distributing Co., Republic Carloading Co. and National Carloading Co.—it was to the railroad's advantage to modernize and automate its freight handling facilities. This resulted in the arrangements to consolidate under one roof the operations of the three big forwarders.

The Miller St. freight house will be automated by installation of two continuous loop "tow lines" recessed in channels below floor level and linking each of the two 750-ft outside platforms with its adjacent island platform. The tow lines will be continuously moving chains to which the platform trucks, called carts, with their loads of freight (or empty) will be attached by a tow-pin as a "pusher" on the chain comes along.

Electronic controls then take over. The carts, which can be as close together as 12 ft on the moving chain, can be directed into "sidings" or "spurs" off the "mainline' at any of 108 different locations corresponding to various freight car doors, or to positions on the platforms for street loading or unloading. Each destination will have space for storing three carts automatically.

An electronic control panel will provide for identification of 180 freight-car locations and 131 truck locations adjacent to the 108 spurs. Designated car and truck spots, or locations, can be changed on the control panel to correspond with the daily setting of these locations in the freight house.

Carts will normally travel at 120 ft per minute, to reach a total capacity for the system of 600 carts per hr. Based on an average load of 335 lb per cart the system will have capacity of approximately 200,000 lb of freight per hour, when loaded carts only are in the system.

In addition to the two separate main loops, there will be automatic transfer loops interconnecting the main loops. At the south end of the long platforms, the two tow chains will ramp down and up again, thus crossing the four railroad tracks at grade.

Storage spurs for cars diverted from the mainline will be located 42 ft apart on both sides of the tow line. Automatic switches will divert cars into the spurs and will be actuated by the code-reading control system at the appropriate time. Each cart will have a code-reading device, called a transponder, which can cause delivery to any spur by presetting several dials attached to each cart. Read-out devices located at several points along each mainline loop will check each cart as it passes and will insert the destination code into a shift register which is synchronized with the tow chain. As the cart approaches its destination, the control system will cause the diverting switch to operate, thus discharging the cart into the selected spur. Spurs have space for three carts, but if a fourth reachs a full spur, it will keep circulating around the loop until at least one cart has been removed from the full spur. Transfer switch code-reading equipment will divert a cart from one loop to another.

General Electric's Industry Control Dept., Salem, Va., has prime responsibility for the automation project. In addition to furnishing the electrical and mechanical equipment, it will be responsible for the installation, inspection, testing of equipment and the initial training of railroad personnel in operation and maintenance of the system.

Reefer Systems Need Improvement

Mechanical refrigeration units for refrigerator cars and trailers using diesel-engine prime movers are currently being challenged by stored, expendable refrigerants such as liquid oxygen and liquid nitrogen. Another development which might supplant the diesel engine and reciprocating compressor is the gas turbine with a centrifugal compressor. With improvements in materials and equipment, however, the present diesel-powered compression refrigeration and heating system will undoubtedly continue in use for some time, according to R. F. McKee, chief engineer, Pacific Fruit Express.

Mr. McKee told the Aug. 14 meeting of the Society of Automotive Engineers in Los Angeles that the shortcomings of the present refrigeration systems do not actually involve their diesel engines.

"While the diesel engine itself is basically a simple, rugged device requiring only air and fuel to operate, it is usually surrounded by a myriad of components and auxiliaries which have a much higher failure rate than the basic engine. If future developments will provide a system in which all parts have the same degree of reliability and long life as the diesel engine itself, the transportation industry will have to look no further. The fact that this is not so and that there is no real assurance it can be attained is leading to research in other methods of providing refrigeration," Mr. McKee told the SAE meeting.

Growth of the frozen-food industry has produced the trend toward mechanical refrigeration because the salt-and-ice system in conventional bunker refrigerator cars could not provide low enough temperatures. Many mechanical and semi-mechanical systems were tried but failed to satisfy the three essential requirements of dependability, economy, and endurance.

The diesel-powered units which have finally evolved come closest to achieving these qualities, providing also considerable flexibility because electric current or reverse cycle operation is available for heating during periods when such protection is required.

Future development both of rail and highway refrigeration systems will depend on the ability of manufacturers to increase dependability of components to equal the diesel engine. If this is not done, the increasing costs of operation will require adoption of other forms of refrigeration, Mr. McKee concluded.

RAILROADING AFTER HOURS WITH JIM LYNE

MONORAILS IN 1821—Alan Huth, editorial assistant for London's "Railway Gazette," tells me that a monorail patent was issued in Britain on November 22, 1821, to an H. P. Palmer — who actually built his contraption in 1824 to carry merchandise on London docks and to move bricks to a riverside quay.

Mr. Huth has dug up evidence of a further British patent in 1829 (by Maxwell Dick) and a U.S. one in 1837 (by Uri Emmons). He mentions experimental installations at Bradford, Pa. (1877), on Long Island (1880 and 1892), in New Jersey (1887), and Massachusetts (1886).

Mr. Huth says further that "some 90 monorail projects have been launched since 1824." The installation at Wupperthal, Germany, was built in 1900 and continues in operation. New cars have been acquired during the past decade, but the original ones are still in service.

NEODESHA, CHICKASHA, ETC.—When I sought to find out what readers believed the pronunciation of Neodesha to be, I discovered that the favorite was Nee-o-deesha (with the accent on the dee). Actually, the accent is on the last syllable, which is pronounced shay — and this same observation holds for Chickasha.

The favorite explanation for the wide variety of pronunciations of these Indian names is that they are the actual Indian pronunciations — which I doubt. The two radically different pronunciations of Arkansas raise doubts as to whether the palefaces have any assurance as to exactly what the Indian names of these places were. And who unaided would ever guess the oral equivalent of Olathe? How about Salinas, Calif., and Salina, Kans.—they look alike, but they don't sound alike.

NON-RAILROAD RAIL CHIEFS—When the British railways fell into government operation, they also — at least to some degree — were removed from the control of managers who were lifelong railroad men. It will be recalled that the head of the British Transport Commission, which operates the railways, was for several years an eminent military commander, Sir Brian Robertson; and that the present top executive, Dr. Beeching, made his reputation as a manager in the field of chemical manufacture.

Some of my British railway friends have sent me clippings of advertisements indicating that the Transport Commission is in quest (outside the railroad business) of additional top-level staff officers.

All in all, British experience would seem to indicate that a likely outcome of government ownership of railways is for management to be transferred, at least in part, from experienced railroad people to "outsiders." For all I know to the contrary, some of these outside people may be just what the doctor ordered. I am not passing judgment—just noting what seems to be a significant fact.

THE FIRST 'TRANSCONTINENTAL'—I've just received a handsome book entitled "The Work of Giants — Building the First Continental Railroad." The author is Wesley S. Griswold, and McGraw-Hill the publisher. The railroad referred to is, of course, the Central Pacific-Union Pacific combination. So far I've had time only to look at the pictures (which are splendid), but it is quite evident that this is a painstaking and superior book.

The more I read about these railroad pioneers, the more I'm impressed with the belief that they were several notches above the people who are "pioneering" new industries today. They got some government help, to be sure, but it was a one-time deal, not a perpetual nursing job at the federal bosom, such as alleged "pioneers" expect (and receive) today. The practice of early weaning came to an end once the pioneer railroads were completed.

WHO HAULS HOW MUCH?—The Transportation Association of America puts out some mighty interesting figures on the total volume of transportation and transportation expenditures—broken down by the type of carrier used. For instance, it shows 43.3% of 1961 ton-miles moving by rail, 22.7% by truck, 17.8% by pipeline, 6.7% by Great Lakes vessels, 9.4% by rivers and canals. The rivers and canals have upped their ton-mileage just about three-fold since 1949, and the coastwise and intercoastal traffic is up about 90% in the same interval. These are the fellows who insist that the wicked railroads (whose traffic rose less than 1% in the same period) are about to put them out of business.

RSMA's Answer Men Tackle L&D Problem

► **The Story at a Glance: Seventy-two railroad men intent on trimming the loss and damage bill ($117 million last year and up 6.7% the first third of 1962) went to Chicago late in August for the Railway Systems and Management Association's seminar, "Quality Control in Rail Transportation."**

Whatever consensus was arrived at in the two-day meeting came in a rapid-fire barrage of specialist talk that ranged from discussions of nylon belt devices to one man's hint that the rigid controls and regulations governing shipments of explosives might serve as a model for railroads serious about reducing L&D.

Unlike some L&D meetings, the recent RSMA sessions in Chicago didn't dwell on the favorite whipping-boy of such gatherings—the switchman. The meeting, instead, focused on shipper, manufacturer, container-designer and researcher views on how new rail equipment, tools and techniques can be used to combat the L&D cancer eating at rail income. Answers as common as the switchman (his L&D-prevention motivation is still a problem) and as far out as the lack of an oil film around the solid bearings of a car parked on a track came thick and fast from RSMA's answer men.

W. M. Keller, AAR vice president—research, gave a thoughtful summation of improvements from research in such basic items as springs, track, and couplers. He described the delicate balance for justifiable equipment changes, of cost in relation to L&D reduction and/or reduced car repair cost. "The railroad industry," he said, "has done a remarkable job of holding freight rates stationary during an inflationary period." He described the average capacity growth of cars (from 1920's 42.4 tons to 1940's 50 tons to today's 56 tons—which does not include the 5% increase recently adopted by the AAR's Mechanical Division) as something that can be expected to continue at an accelerated rate, with important ramifications in the struggle for L&D prevention.

Mr. Keller described the major devices available for lading protection as (a) gear travel 2¾ to 3½ inches, the present standard; (b) gear travel 4¾ inches (36-inch pocket gear); (c) cushion underframe medium travel (5 to 10 inches); and (d) cushion underframe long travel (10 to 30 inches). He discussed the various ladings needing one form or another of the devices and said that progress is being made in the improvement of standard pocket gears. "The new design of 36-inch pocket gears has a minimum of 75,000 foot-pounds and it has a travel of 4¾ inches. The lower capacity gears also have been improved."

Mr. Keller discussed other, not-too-often considered factors entering into L&D to rail shipments: wind resistance in hump yards, freight car rollability, "soft" track versus "hard" track affecting empties and loads, and other conditions in rail operation. His conclusion: "We want to prevent damage, but we also want to reduce packaging and dunnage to the minimum consistent with good results. We need a lot of additional data to insure that our direction is the correct one and that in providing protection for one type of fragile lading that we do not incur unnecessary expense in over-protecting lading that is not damaged by the average shocks encountered in freight cars."

'Massive assault on L&D'

Robert E. Payne, former Monon traffic research analyst, proposed that all claims be reported to a central agency so that a massive assault on L&D can be intelligently planned. Citing the experience of insurance companies who report all claims to a central agency, Mr. Payne suggested that all L&D claims be compared via electronic data processing so that norms can be established and so that transportation men will get an accurate idea of what L&D patterns are. Reports from present data could be transmitted by punched cards or tape and would include commodity, origin, destination, consignee, consignor, amount of claim, type of claim, route, type of packaging and type of carrying equipment.

By processing claims this way, norms could be set up for both commodities and for an entire industry. It would logically produce investigation-by-degree. Claims below norms would be paid with minimal investigation, but claims above norms would be studied carefully. Mr. Payne noted that the entire experience produced by such a central agency might also have value in establishing rates. His estimate of the cost: one to three cents per claim for computer equipment, based on roughly a quarter-million claims a month.

L. F. Delventhal, manager of marketing field services for the Western Pacific, took a critical look at the problems, costs and trends emerging in railroad experience with special equipment. Noting the multiplying problems confronting railroads as the nation's fleet of specially-equipped cars rose from 5,000 units in 1950 to today's 60,000 Mr. Delventhal told the RSMA that figures don't always indicate that specially equipped cars are justifiable economically, but that shippers demand such cars.

Aluminum crossmembers

Mr. Delventhal noted a swing to aluminum crossmembers in DF cars. Initial cost of $30 (as against about $20 for wood-steel crossmembers) was more than offset by the lighter, simpler aluminum units. WP saved $250,000 by cutting down on the number of crossmembers and belt rails needed, and further cuts may be possible if tests prove out indications that four rail belts and 20 crossmembers are enough for cushion underframe cars (instead of the six belt rails and 25 members now used on such equipment). WP has made test runs with fewer belts and crossmembers on 40 loads of tin plate averaging 101,000 pounds per car, shipped across the country. All loads arrived undamaged.

Mr. Delventhal also described the manner in which canned goods shippers are increasingly turning to palletized shipments—and wanting pallets returned free. One possible solution; stacking pallets in the end of a car and tying them with nylon belts, making the car suitable for return move.

WP, he said, is also testing nylon belting secured to car walls as an L&D prevention device. Mr. Delventhal said the nylon belting can be installed for $800, material and labor. Mr. Delventhal's solution to the rail L&D problem: more packaging engineers and carloading specialists for guidance to transportation quality.

N. E. Bateson, Pullman-Standard's director of research and development, told the RSMA members that P-S believes 30-inch Hydroframe cars are necessary. He described P-S tests in which cans of tomato juice packed in cartons were afforded protection at impacts up to 11 mph, with lading pressure up to 1,420 pounds per square foot.

Mr. Bateson warned his audience that L&D problems are going to get worse soon. He cited steel research that

will soon lead to thin steel plate tin cans, the rapid acceptance of throw-away bottles and the thinner cartons in which such containers are packed as writing on the wall for a railroad need to provide increased cushioning for future traffic. Mr. Bateson described P-S impact tests of Hydroframe cars loaded with transformers that had no retaining devices, blocking or banding; and of cars of paper rolls held only with banding irons, as completely successful.

Walter Sparks, traffic manager—claims and planning, of Western Electric Co., speaking with the authority of a shipper who measures his traffic in millions of tons, told the RSMA meeting how Western Electric engineers handle packaging and loading methods. Mr. Sparks described how Western established a pool of specially equipped cars at a plant with "a gratifying reduction in damage claims." He told his RSMA audience of Western's utilization of Plan III piggyback service. No lost material, lessened damage and faster service resulted, but some carriers, he said, have taken the position that concealed damage claims will not be honored unless there is damage to the trailer, which "they construe as being the container." Western sees no difference in the liability of the carrier for such claims from that of the standard box carload movements which are also loaded by the shipper.

Mr. Sparks told of Western Electric's 2,000 L&D claims in 1961, and said that the appalling amount of the claims ($800,000) was only the beginning of a chain reaction involving claim processing costs, loss of use of capital (Western estimates it loses about $100,000 in income annually on money tied up in claims), delay of production and installation schedules, subsequent diversion of machinery and personnel and delay of service to customers and loss of revenue. Mr. Spark's formula for better L&D performance: better and faster communications between carriers and between carriers and shippers in claims processing; and better communications and training of all transportation employees for eventual L&D reduction.

R. C. Hendon, vice president—operations, REA Express, described the effective role propaganda can play in dealing with the human element in L&D prevention. He told the RSMA seminar about REA's recent campaign with broken ashtrays sent to the home of each REA employee, and of the other aspects of the 13-month program directed at L&D prevention. Mr. Hendon said REA's $90,000 program had already paid off handsomely: claim reduction over the program period amounted to four or five times the cost.

Union Libel Suit Asks $1.5 Million

Three operating brotherhoods slapped a $1.5-million libel suit against the Association of American Railroads last week. The unions—BLE, BLF&E and BRT—charged that an Aug. 20 newspaper advertisement signed "American Railroads" amounted to an accusation that the brotherhoods had violated the Federal Anti-Racketeering Act.

Specifically, the unions took issue with a statement in the ad which said that "railroad unions [are being paid] nearly $600,000,000 each year for work not needed or not performed."

The union action, filed in the State Supreme Court of New York, followed an exchange of telegrams between W. P. Kennedy, president of the Trainmen, and the AAR.

"Unless you forthwith purchase identical size space in the same newspapers as those which carried your advertisement of Aug. 20," Mr. Kennedy wired the AAR on Aug. 23, "and print therein a retraction and an apology to the railroad unions, it will be apparent that this libel was malicious and designed to destroy the confidence of the public and employees in the good faith of the railroad unions as collective bargaining agents."

Gregory S. Prince, the AAR's executive vice president and general counsel, addressed a reply to Zelenko & Elkind, the unions' New York attorneys. "The advertisement," said Mr. Prince, "has been reviewed and the conclusion reached that there is no basis for your contention that it libels the railroad unions or that it falsely accuses them of violating federal criminal statutes. We therefore decline your request for retraction."

(The AAR later issued a statement in Washington asserting that "the advertisement dealing with featherbedding, to which the railroad brotherhoods took exception, was simply an attempt to convey to the public in non-technical language the substance and effect of certain findings of the Presidential Railroad Commission, made after more than a year of hearings and intensive study.")

The $1.5 million sought in the libel suit is the amount which the unions estimate the railroads have spent in their entire series of anti-featherbedding advertisements. The unions say they need to spend an equal amount to refute the charges, and they want the railroads to foot the bill.

A union spokesman denied that the failure of two operating unions—SUNA and ORC&B—to join in the libel action indicated any rift in labor ranks. (At least one of the two non-participating unions was reported to have declined to join in the suit on the advice of lawyers who feared costly counter-suits by the railroads.)

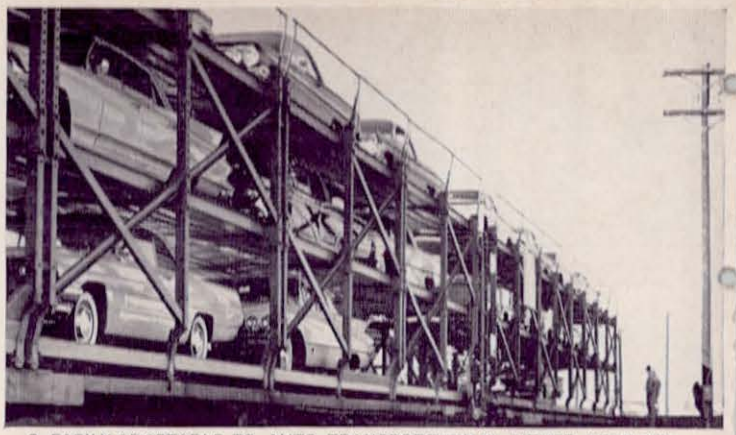
Meanwhile, the work-rules dispute continued its sluggish pace and there were indications that little action could be expected before late October. Under an expedited schedule for handling the case, set by a U.S. Court of Appeals in Chicago Aug. 29, original briefs in both carrier and brotherhood appeals must be filed by Sept. 18. Both parties must respond within 15 days after that and replies, if any, must be filed within another 10 days. If either side takes full advantage of the time allowed, this would mean that no oral arguments could be announced until after Oct. 13.

In the pending appeals the carriers are seeking to vacate a temporary injunction granted the unions by the District Court which prevents implementing work-rule changes contemplated in the carriers' November 1959, Section 6 notices. The five operating brotherhoods are asking the appellate court to reverse District Judge Joseph Sam Perry's Aug. 8 order dismissing the union motion for a permanent injunction against carrier action in modernizing operating work rules and pay structure.

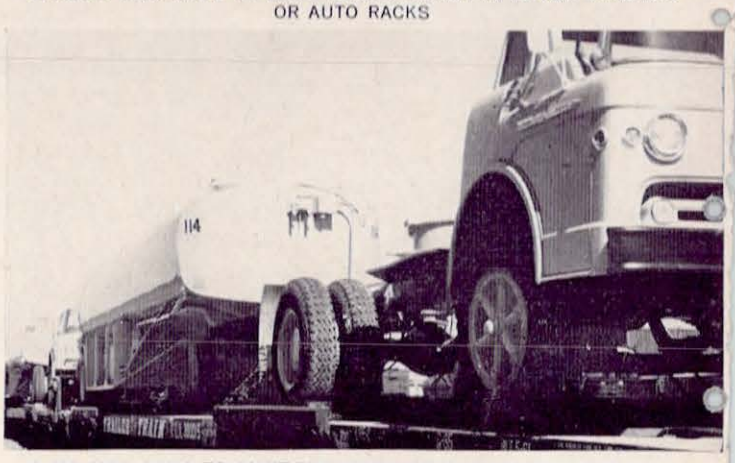
In emergency motions filed Aug. 21 (RA, Aug. 27, p. 52) the carriers sought to expedite the hearing schedule and asked the court to telescope the time for filing briefs, responses and replies between Aug. 31 and Sept. 17. Responding to this emergency motion early last week union attorneys called such a motion "manifestly unreasonable" and asked that they be permitted "time to file an adequate brief."

In a concurrent order the Appeals Court also ruled on the carrier motion to increase the $10,000 injunction bond set by Judge Perry and raised the figure to $100,000 to be filed before Sept. 8.

1. THE ONLY MULTI-PURPOSE CAR THAT LOADS CONTAINERS FROM THE SIDE BY TRACTOR



2. EASILY ADAPTABLE TO AUTO TRANSPORTATION, EITHER TRAILERS OR AUTO RACKS



3. NO SIDE RAILS TO LIMIT THE WIDTH OF THE LADING (8'-6" TANK TRAILER WITH 8'-10" AXLES, SHOWN)

ANYTHING

ON THE NEW G-85 WITH CUSHIONED RUB RAILS. THE PIGGY-BACK CAR THAT PROVIDES A SHOCK-ABSORBED, TIE-DOWN POCKET EVERY 12" FOR ANY UNITIZED LOAD. FIND OUT MORE. CALL GENERAL AMERICAN, CHICAGO. FINANCIAL 6-4100.

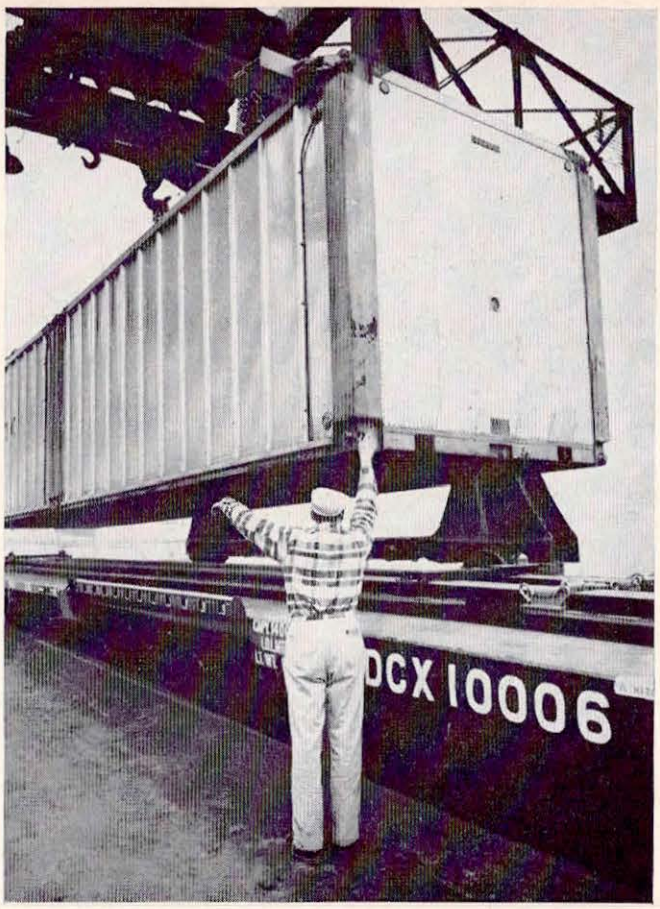
PIGGY-BACK DIVISION

GENERAL AMERICAN TRANSPORTATION CORPORATION

135 S. LaSalle Street • Chicago 90, Illinois GENERAL AMERICAN Offices in principal cities

4. LOADING AND UNLOADING OF TRAILERS CAN BE HANDLED COMPLETELY BY THE TRACTOR DRIVER ALONE

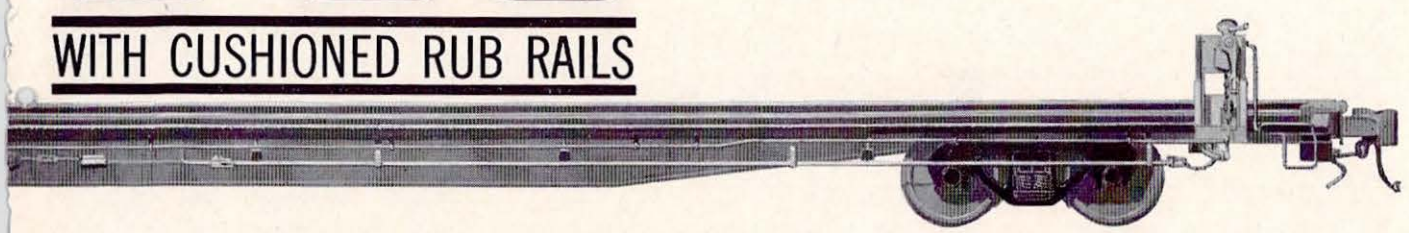
5. SENSITIVE MISSILE COMPONENTS RIDE SAFELY ON THE G-85



6. OVERHEAD LOADING IS ACCOMPLISHED BY CRANE, STRADDLE CARRIER OR FORK LIFT.

GOES

GENERAL AMERICAN'S G-85 WITH CUSHIONED RUB RAILS



NYC Files 'Realistic' New Tariff for LCL

► **The Story at a Glance: "To determine whether or not the shipping public desires a continuation of rail LCL service," the New York Central has filed with the ICC what it describes as a "realistic" new tariff of less-carload rates and classifications. It has asked the Commission to allow the tariff to become effective Sept. 25, without suspension, for an experimental two-year period.**

"Realistic charges for less-carload service based upon a completely new classification and rates designed to recover costs" are embodied in Tariff No. 3024 (ICC 2296) filed with the Interstate Commerce Commission by the New York Central.

The tariff, which the Central proposes to keep in effect for two years from Sept. 25, is based on the road's conviction "that there is a genuine need for rail LCL service, and that the shipping public is willing to pay a compensatory rate for a well operated, dependable service." This conviction is supported, NYC says, by "interviews with individual shippers and conferences with shipper groups."

The new tariff is, nevertheless, frankly tabbed as an experiment. "If the experiment is a failure, Central will follow the course already adopted by many Class I railroads, i.e., discontinue LCL service."

Tariff 3024 consists of four sections. Section 1 classifies all commodities which move in LCL service, and assigns each to one of three classes. Class 1 embraces traffic most difficult for a railroad to handle in LCL; Class 2 covers "average" traffic, and Class 3 includes traffic which can be handled "with a minimum of difficulty."

Tariff Section 2 contains an alphabetical list of points which are stations on NYC lines and shows the rate groups to which each station belongs. Section 3 names rates for each commodity classification between each of the rate groups, and Section 4 covers routing and names the points at which interchanges may be effected with connecting carriers.

As an example of how the tariff works, proposed rates from New York (Group 1) to Chicago (Group 40) would be $5.80 per cwt for commodities in Class 1 ("difficult" traffic); $3.32 for those in Class 2 ("average" traffic); and $2.53 for freight in Class 3 ("easy" traffic).

Rates to some intermediate points, e.g., South Bend, Ind., in Group 40C, will be somewhat higher—$7.15, $4.67 and $3.88 for Classes 1, 2 and 3, respectively.

Despite superficial appearances, the railroad says, this involves no violation of the long-and-short-haul clause of the Fourth Section of the Interstate Commerce Act, because "there is no rate direct from New York to South Bend. The only route available from New York to South Bend is via the key point of Chicago. No rate is published to South Bend from Toledo or any other key point, except via Chicago. Consequently, there can be no violation of the Fourth Section," and "no departure from the requirements of the Act." Thus, the tariff is not accompanied by any application for long-and-short-haul relief.

Shipper support cited

It is accompanied, however, by a "statement of justification," in which the railroad asks that its experimental effort "to convert LCL service to a profitable operation not be stultified by suspension."

In support of that point—and of the new tariff itself—the statement asserts that Central has discussed its proposal "at length" with its shippers; that they "recognize the urgent necessity for realistic classifications and compensatory rates for LCL traffic"; and that "they have indicated a desire to cooperate with Central's experiment because they are aware that curtailment or discontinuance of a non-compensatory LCL service is inevitable."

The statement further says that:

- Central believes classification ratings and rates named in Tariff 3024 represent as fairly as possible the handling and transportation characteristics of LCL traffic and the cost of performing LCL service.
- Use of simplified rates will permit utilization of mechanically processed waybills and data therefrom in rating and related office procedures, which could not be accomplished under the old system.
- Central will keep complete records with respect to all LCL operations conducted and traffic handled under the proposed new schedules, and will welcome an investigation of the new ratings and rates as soon as experience thereunder makes available evidence of probative value.

The statement of justification also declares that the new LCL classifications and rates are an outgrowth of the ICC's unanimous decision of last May 16, which modified "many of the restrictive conditions" previously imposed on operating rights of the railroad's motor subsidiary, New York Central Transport Co.

Relief then granted has enabled it, the railroad says, "to revise its LCL operations, eliminating countless unnecessary transfers and rehandling of shipments," and "instituting regular merchandise car schedules between principal concentration or break-bulk points. In essence, Central is now in a position where it can conduct LCL operations in the most efficient and economic manner possible with today's level of traffic."

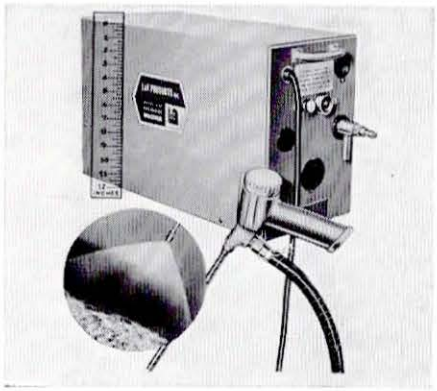
The statement goes on, however, to point out that "presently applicable classification ratings and class rates applicable to LCL traffic cannot yield revenue sufficient to equal the cost of performing LCL service. The Uniform Freight Classification simply does not reflect the transportation and handling characteristics of LCL traffic. In many instances, high-rated traffic is among the most easy to handle, but is subject to prohibitive rates. Conversely, many of the small shipments most difficult to handle across freighthouse platforms and to stow in merchandise cars enjoy a low rating."

It is to overcome those disabilities that the Central is proposing, by its Tariff 3024, "to establish realistic charges based upon a classification which will properly evaluate handling and transportation characteristics, at rates designed to recover the cost."

Concurrently, NYC is cancelling, so far as they apply to its LCL business, all existing tariffs naming LCL rates (except for LCL traffic loaded by a shipper with carload traffic).

On interline LCL shipments, the total charge would be made up of the NYC rate specified in Tariff 3024, plus the commodity or class rate lawfully applicable for that portion of the total move made over other railroads. For illustration only, the statement of justification cites the Class 1 100-lb rate on a New York-Los Angeles shipment via NYC-Santa Fe as $11.80, including the $5.80 listed above as the Central's charge for the New York-Chicago movement, plus $6.00 for Chicago-Los Angeles haul via AT&SF.

NEW PRODUCTS REPORT

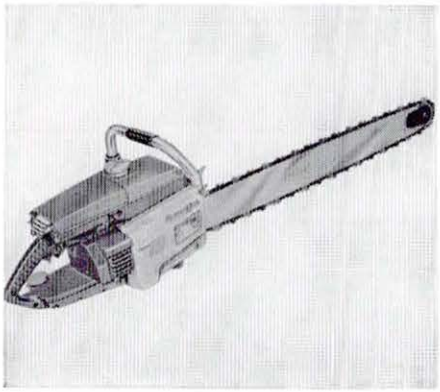


Pressure Washer (RA-1)

The Model 202 self-contained washer, with its high-pressure, 500psi spray, is adaptable for cleaning equipment interiors and exteriors; for washing passenger and freight-loading areas, or for clean-up jobs around other railroad installations. The washer is connected to a tap-water source, hot or cold, and applies water, detergents, soaps, or cleaning solvents. These solvents may be in either concentrated or diluted form. *L & A Products, Inc.*

Vapor Degreaser (RA-2)

A thermostatically controlled boiling sump and an ultrasonically agitated distillate chamber compose the Model PVD 2001 vapor degreaser. Heavily soiled parts are first placed in the vapor zone of the sump where oil and grease are dissolved. Components are then briefly immersed in ultrasonic chamber to remove last traces of contaminants. A solenoid-actuated spray ring, using distilled solvent, provides a final rinse. *Powerton Ultrasonics Corp.*



Chain Saws (RA-3)

The "Super" line of gasoline-powered chain saws includes the 880, a direct-drive unit for heavy duty performance; the 880 G, a gear-driven version which handles "Roller Nose" guides up to 54 in. in length; the 770, featuring a left-side starter for low flush cutting; the 770 G, a gear-driven version of the 770; the 660, which also features a left-side starter, and the 660 G, a geared model of the 660, designed for heavier duty cutting jobs. *Remington-Arms Co.*

Welding System (RA-4)

The Signatic Push-Pull welding system is said to combine the high deposition rates and high operator duty cycles of Sigmatic (mig) welding with the freedom of movement formerly offered only by stick-electrode welding. The "push" is provided by a conventional wire-feed motor on the SWM-17-A welder; the "pull," by a second motor incorporated in a specially designed ST-7 Sigmatic torch. Electrical control circuits in the welder synchronize the two motors. *Linde Co.*

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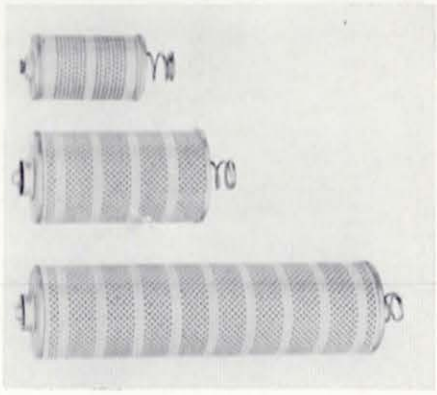
NEW PRODUCTS REPORT

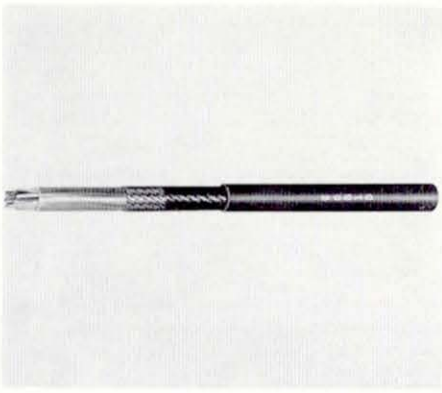
Welding Units (RA-5)

Two constant-voltage motor-generator type welders (250 and 450 amp) have been announced for automatic and semiautomatic welding by the spray transfer and dip transfer processes. A tapped reactor, connected in series with the output leads, provides seven increasing values of reactance. Standard design includes a magnetic line contactor with automatic reset overload, and a secondary contactor with provision for remote control. *Harnischfeger Corp.*



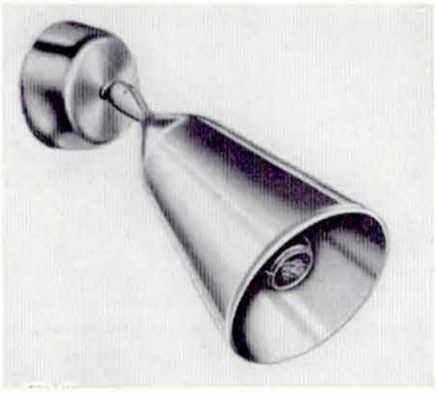
Filter Cartridges (RA-6)

Three new filter cartridges with a special Porosite filtrant are said to reduce the steps required to change a conventional cotton sock cartridge. Inconveniences of removing the filter basket for cleaning, washing and rinsing are eliminated because these Porosite cartridges require no basket. Other claimed advantages are extended time between filter change, no oil dragout, superior filtration. Packaged 12 to a carton. *Wix Corporation.*



Distribution Cable (RA-7)

Bupic, a double-jacketed multipair distribution cable is available in sizes 3, 6 and 12 pairs, in gage sizes of 19 AWG and 22 AWG. Features include polyethylene insulation, color coding to facilitate splicing and high available tensile strength to better resist plowing operations. The strength of Bupic is about nine times the breaking strength of conventional construction of double-sheathed cable. *Alphaduct Wire and Cable Co.*



Paging Speaker (RA-8)

The LIL-8 paging and talk-back loudspeaker is a compact and efficient public address unit allowing two-way communication. This loudspeaker has a frequency response of 300 to 10,000 cps, a power rating of 15 watts and an impedance of 8 ohms. Dispersion is 110 deg. The LIL-8's sensitivity as a microphone is -27 dbm. Dimensions are 15¾ in. by 6⅞ in. and the loudspeaker's weight is 4½ lb. *University Loudspeakers, Inc.*

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Market Outlook

Carloadings Rise 0.1% Above Previous Week's

Loadings of revenue freight in the week ended Aug. 25 totaled 582,959 cars, the Association of American Railroads announced on Aug. 30. This was an increase of 333 cars, or 0.1%, compared with the previous week; a decrease of 9,306 cars, or 1.6%, compared with the corresponding week last year; and a decrease of 12,005 cars, or 2.0%, compared with the equivalent 1960 week.

REVENUE FREIGHT CARLOADINGS

For the week ended Saturday, August 25

District	1962	1961	1960
Eastern	79,875	83,448	83,338
Allegheny	92,999	98,902	97,728
Pocahontas	51,109	53,016	50,804
Southern	108,965	105,984	105,239
Northwestern	95,525	95,176	103,778
Central Western	117,066	116,882	114,305
Southwestern	37,420	38,857	39,772
Total Western Districts	250,011	250,915	257,855
Total All Roads	582,959	592,265	594,964
Commodities:			
Grain and grain products	54,110	50,396	53,050
Livestock	3,683	4,067	4,644
Coal	110,182	104,779	105,015
Coke	5,956	7,514	4,958
Forest Products	39,079	39,719	39,821
Ore	49,117	57,084	61,673
Merchandise l.c.l.	22,667	28,911	35,613
Miscellaneous	298,165	299,795	290,190
August 25	582,959	592,265	594,964
August 18	582,626	595,085	596,464
August 11	565,881	591,062	600,021
August 4	568,424	588,269	594,444
July 28	567,131	591,301	613,988
Cumulative total, 34 weeks	18,715,558	18,133,289	20,374,082

PIGGYBACK CARLOADINGS.—U. S. piggyback loadings for the week ended Aug. 18 totaled 13,550 cars, compared with 11,530 for the corresponding 1961 week. Loadings for 1962 up to Aug. 18 totaled 436,641 cars, compared with 360,967 for the corresponding period of 1961.

IN CANADA. — Carloadings for the seven-day period ended Aug. 14 totaled 72,017 cars, compared with 66,927 for the previous seven-day period, according to the Dominion Bureau of Statistics.

	Revenue Cars Loaded	Total Cars Rec'd from Connections
Totals for Canada		
Aug. 14, 1962	72,017	20,415
Aug. 14, 1961	70,940	21,944
Cumulative Totals		
Aug. 14, 1962	2,175,954	752,507
Aug. 14, 1961	2,098,892	760,785

New Equipment

FREIGHT-TRAIN CARS

► *Union Tank Car Co.*—Built 65 new tank cars as follows: Regular cars—3 of 20,000-gallon capacity; 7 of 8,000-gallon capacity and 3 of 12,000-gallon capacity. Pressure cars—2 of 1,600-gallon capacity; 6 of 6,200-gallon capacity; 22 of "short" 30,000-gallon capacity; 13 of 22,500-gallon capacity and 2 of 20,000-gallon capacity. Miscellaneous cars—2 17,000-gallon insulated tanks; 4 8,000-gallon acid cars and 1 3,800-cubic-foot covered hopper car.

SPECIAL

► *Chesapeake & Ohio.*—Ordered 46 adjustable auto racks to be applied to TTX flat cars at a cost of approximately $500,000.

LOCOMOTIVES

► *Chesapeake & Ohio.*—Under its locomotive replacement program, is acquiring 14 GP-30 and 19 SD-18 diesel-electric locomotives from EMD at a cost of $7,000,000. Deliveries are scheduled to begin early in 1963.

► *Long Island.*—Acquired two 1,500-hp Alco diesel-electric locomotives from the Delaware & Hudson for use in passenger service.

New Facilities

► *Frisco.*—Ordered 50 sets of Bendix 2R transistorized radio units from Union Switch & Signal division of WABCO for installation on locomotives.

► *Illinois Central.*—Company forces are installing automatic interlocking at junction with Mississippi Central at Brookhaven, Miss. MC will pay one-third of the estimated $45,580 cost of the project, which is scheduled for completion Sept. 1.

► *Northern Pacific Terminal.*—Is installing a mail-handling conveyor system at Portland Union Station at a total cost of $391,000. The project, to be financed by NPT owning companies, is scheduled for completion Nov. 1.

► *San Diego & Arizona Eastern.*—Current projects include relocation of shop facilities and yard tracks and installation of 80-ft turntable at San Diego at a cost of $90,000. Work, to be performed in part by company forces, is scheduled for completion Sept. 30.

► *Soo Line.*—Will install two-way train radio equipment in four yard switchers at Neenah, Wis., and 17 locomotive units used in road freight service between Chicago and the Twin Cities. Thirty-two walkie-talkie units will also be acquired for cabooses in Chicago-Twin Cities service. A base station will be erected at Neenah. Installation of the equipment will put two-way radio aboard all freight trains operating between Chicago, the Twin Cities, and Canadian Pacific connections at Portal, N.D., and Noyes, Minn.

'Merger or Bankruptcy,' Warns

► **The Story at a Glance: "Early bankruptcy of the New York Central" would result if the ICC denies or delays favorable action on the Central-Pennsylvania merger application while approving other pending consolidation and acquisition-of-control proposals of eastern railroads. This warning note was sounded by NYC President Alfred E. Perlman at last week's Washington sessions of ICC hearings on the merger application. The hearing got under way Aug. 20 with the testimony of PRR Chairman James M. Symes (RA, Aug. 27, p. 9), who was subjected to extensive cross-examination as was Mr. Perlman.**

ICC hearings on the New York Central-Pennsylvania merger application were expected to recess by the end of last week after sessions extending over two weeks in Washington. Oct. 15 was set as the date for resumption of the hearing, which is being conducted by Examiners Jerome K. Lyle and Henry Darmstadter.

Following through from his warning that merger with the PRR was Central's only way to avoid bankruptcy, NYC President Perlman indicated that he thinks such a bankruptcy would mean government ownership.

The proposed merger, he said, "affords the only way, short of government ownership, to preserve vital segments of the eastern railroad system."

Before coming to this point in his presentation, Mr. Perlman had emphasized that Central has modernized its plant since he became president in 1954. He thinks his road would now be involved in bankruptcy proceedings if it had not modernized, but he learned that "the medicine which transformed the bankrupt Rio Grande [where Mr. Perlman was formerly executive vice president] into a healthy, prosperous railroad has succeeded only in postponing the day of reckoning for Central." The reason "simply lies in geography," Mr. Perlman added, explaining:

"The East can no longer support the present and increasing capacity of its transportation system. Eastern railroads no longer share in periods of economic prosperity. They are partners only in times of economic downturn. For example, taking the years 1928 through 1930 for a base the originated freight tonnage for all Class I railroads in 1960 was 98.52% of the base period. The carriers in the Eastern District, however, originated only 69.9% of the 1928-1930 freight tonnage originations. Rail carriers in other parts of the country ranged from about 99% for the Northwest to almost 150% in the South."

This decline in the relative position of eastern railroads was attributed by Mr. Perlman to "many causes," among which are "discriminatory and overburdensome regulations" which also hamper railroads in other areas. But eastern lines, the NYC president continued, "are particularly plagued with problems of inter-modal competition and of the economic character of their territory."

Mr. Perlman went on to recall many industries, such as shoe and textile manufacturing and production of heavy electrical machinery, which flourished in New England when he was a student at the Massachusetts Institute of Technology. "All of this has gone in less than 40 years," he said, adding:

"Industry has decentralized away from the once-called industrial East. The West and South have become largely self-contained insofar as industrial production is concerned, and the plants which remain in the East serve relatively compact market areas. There is no sign of any turn away from this trend.

Salt in the wound

"While decentralization of industry in and of itself cuts into the traffic of eastern railroads, there is a by-product that literally salts the wound. In decentralizing, the new plants built in the South and West are, by definition, more modern, highly automated, and, most important, those which produce at the lowest unit cost. In periods of even modest industrial downturn, therefore, the older, high-cost-production facilities in the East are the first to feel the pinch of shut-down. This is one reason why the eastern railroads are early and full partners in business declines."

As to the "aggravated inter-modal competition" in eastern territory, Mr. Perlman noted that the New York Thruway parallels NYC lines from New York City through Albany to Buffalo. The first two years after its opening saw Central's long-haul passenger traffic drop and "it is impossible to calculate how much freight traffic was lost."

Mr. Perlman went on to say he is frequently on the New England Thruway, which parallels New Haven lines, and it is "crowded with heavy tractor-trailer combinations." The NYC president also called attention to the competition of water carriers on the St. Lawrence Seaway, which, he said, are not domestic carriers. The domestic water lines, Mr. Perlman explained, "have found it impossible to compete, even with substantial government subsidies, with the foreign vessels manned by crews paid at bare subsistence levels. . . . Even the Grace Line, whose operations were subsidized on top of operating in a subsidized seaway, was forced by this foreign competition to withdraw from its seaway routes."

The NYC president mentioned other unfavorable conditions in Eastern Territory, such as proposed waterway improvements and coal pipelines, relatively high local taxes, the passenger problem and terminal congestion which increases costs. At the same time, Mr. Perlman reported that Central has gone in for much of the "self-help" that "Congress and the Commission have suggested."

His bill of particulars in the latter connection listed the retirement of "almost $200 million" in long-term debt and modernization of facilities at a cost of $390 million. The latter gave Central a New York-Chicago line fully equipped with centralized traffic control and four of "the world's most modern automated electric yards."

Central's research laboratory has developed such effective techniques that it is "doing contract work for the major air lines, the armed services, and for medical research," Mr. Perlman also reported. He noted, too, that his road has created a marketing department to "work hand-in-glove on rates, equipment and service needs with our shippers," and it has under way an "aggressive program" developing its real estate along Park Avenue in New York City, and disposing of surplus real estate. Real estate sales have brought Central "over $10 million a year for the past four years and are increasing," Mr. Perlman added.

He also mentioned Central's management-training program, its success in cutting its passenger deficit from "over $52 million" in 1957 to "less than $16 million" in 1961, and its exercise of "maximum ingenuity in devising rates, experimental and conventional, to attract or to hold traffic."

This "recitation," as Mr. Perlman called it, was to show that Central "has not been content to relax and ac-

Perlman

cept the inevitable." It has applied "and even expanded on" all of the techniques "that had been proven to work on the Rio Grande—but in contrast to the result on the Rio Grande, look what has happened to the Central."

Mr. Perlman emphasized his view that the rebuilding steps were nevertheless worthwhile—they were Central's "only possible source of survival." No capital outlay was made which didn't bring annual savings of at least 33% on the investment.

That brought the NYC president to arguments in support of his contention that continued survival of his road as a private enterprise calls for the proposed merger with PRR. He also finds it "hardly surprising" that other eastern roads with similar experiences have also turned to merger.

Lower costs, better service

"Mergers, particularly between railroads with substantial parallel mileage and duplication of terminal and shops and other facilities," Mr. Perlman continued, "permit great savings in costs as well as more effective service. These savings flow from many sources. Obviously, there are savings from the elimination of duplicate facilities and of the maintenance they require. Consolidation of traffic over the most favorable routes permits more efficient use of both motive power and cars. Greater traffic density will make economic for the merged railroad capital investment in modern yards and terminal facilities which neither railroad could justify individually and will put the bulk of the business on the route with the most eflective grades and curvature."

As to points common to NYC and PRR, Mr. Perlman said there are 149 of them, including 85 at which cars are interchanged directly between the two roads.

Later on, he pointed out that approval by the Commission of the NYC-PRR and Norfolk & Western-Nickel Plate-Wabash mergers and Chesapeake & Ohio's proposed acquisition of the Baltimore & Ohio would still leave the service of more than one road at those 28 points common to PRR and Central which have populations of 50,000 or more.

It is because he thinks NYC-PRR, N&W-NKP-Wabash and C&O-B&O, as now proposed, would provide a balanced competitive situation in Eastern Territory that Mr. Perlman was willing to resume Central-Pennsy merger discussions which were suspended by Central in January 1959.

Central, as Mr. Perlman explained it, became concerned about the emerging N&W system in view of PRR's substantial holdings of N&W stock, so it decided to try for a three-way merger—C&O-B&O-Central.

When that undertaking was thwarted by C&O's refusal to go along, and PRR expressed willingness to trustee and ultimately dispose of its N&W stock, Central decided that development of "three balanced competitive systems in the East" was a possibility. That PRR's position with respect to its N&W stock is what prompted Mr. Perlman to change his mind is pointed up by this statement of the NYC president:

"In my opinion, this action removes the competitive imbalance which colored my judgment at the time of the 1957-1959 merger studies between Central and Pennsylvania. It offers the Commission the opportunity to approve a voluntary consolidation of eastern railroads into the best attainable competitive pattern."

Like PRR Chairman Symes, Mr. Perlman was subjected to extensive cross-examination extending over several days. As was also true in Mr. Symes' case, most of the questioning came from William G. Mahoney, counsel for the Railway Labor Executives' Association, and Joseph Auerbach, counsel for the New Haven trustees. Joseph V. Gallagher, a Department of Justice attorney, was also among the cross-examiners, but Justice has not yet taken a position in the case.

Generally, Mr. Auerbach's questions were designed to develop a record in support of New Haven's position that it should be included in the PRR-Central system or that any New England regional system should be owned by the trunk lines. Meanwhile, Mr. Auerbach made this statement about the NH position:

"The trustees are unequivocally and sincerely convinced that if a merger of the Pennsylvania and New York Central goes forward without inclusion of the New Haven, railroad service under private ownership in southern New England is doomed. The trustees have concluded, accordingly, that a merger of the Pennsylvania and New York Central which includes the New Haven is a necessary and essential step in the public interest. If the proposed merger system does not include the New Haven, the trustees must necessarily oppose it."

KEFAUVER'S NEW PITCH

While ICC hearings on the New York Central-Pennsylvania merger application were under way in Washington last week, Senator Estes Kefauver (D.-Tenn.) took the Senate floor to make a long speech calling for Congressional action on his merger-freeze bill.

The bill, S. 3097, would amend Section 7 of the Clayton Act to suspend until Dec. 31, 1963, the anti-trust immunity now accorded big railroad mergers approved by the ICC. Its effect would be to stay ICC approval of mergers or acquisitions-of-control involving railroads with assets of more than $200 million—unless they are in trusteeships or receiverships.

Principal supporter of the bill is the Railway Labor Executives' Association. It is opposed by the ICC, Department of Justice and National Industrial Traffic League, as well as the railroads.

Senator Kefauver complained that the only guardians of the public interest at the PRR-NYC hearings were the Department of Justice and the Commission's Bureau of Inquiry and Compliance. He noted the opposition of the New Haven and RLEA, but he called those protests of "special nature," and he argued that Justice and the Commission's bureau need more time to make "an adequate and perspective analysis of the real impact that this giant Pennsylvania-Central merger will have, not only on the eastern area of the United States, but with respect to the entire national rail network."

The railroad industry "seems determined to combine and consolidate its large trunkline properties for the purpose of shrinking our national plant," the Senator also said, adding that "such consolidations as are being presently proposed to the Interstate Commerce Commission for approval can only result in increased economic power in the hands of a very few roads."

ICC Examiner Favors Merger of

► **The Story at a Glance: Examiner Hyman J. Blond's proposed report recommending ICC approval of the Seaboard Air Line-Atlantic Coast Line merger application would have the Commission impose conditions more restrictive than those which have been included in favorable decisions in other recent merger cases. The proposed report, a document of 162 mimeographed pages plus appendices, was served Aug. 24. Consummation of the proposed merger would create a 9,800-mile system — Seaboard Coast Line Railroad Co. — and bring estimated annual savings of $38,700,000 five years after it became effective.**

Because the Atlantic Coast Line and Seaboard Air Line "are financially strong, independent, side-by-side railroad carriers which are generally competitive with each other," ICC Examiner Blond thinks their merger would not leave competing roads adequately protected unless the merged company is subjected to more than the usual open-route conditions. Additional conditions which he thinks the Commission should impose in approving the merger are set out by the examiner in his proposed report.

They would require the merged company to maintain present freight-train schedules and join in new through-route arrangements. Also, Mr. Blond would have the Commission retain jurisdiction for five years after the date of the merger in order to consider petitions for inclusion which might be filed by affected railroads.

The schedule-maintenance condition would require the merged company to "preserve and maintain the same schedules" on ACL and SAL trains which it would continue to operate — unless modifications were such that "existing cut-off times for connecting trains of other railroads would not be changed, or would not cause or permit such connections to be delayed or broken." Here is the examiner's proposed through-route condition:

"On a reciprocal basis with all connecting railroads requesting such arrangements and willing to afford equal privileges to the merged company, Seaboard Coast Line Railroad Co. shall publish and file appropriate tariffs and routing schedules, effective on or after the date of consummation of the merger, providing the following:

"(a) Opening of the junctions and gateways of Seaboard Coast Line Railroad Co. as to all its traffic moving through each such gateway, at the lowest applicable rate available through any other injunction or gateway of said merged company.

"(b) New routes with applicable competitive joint rates and just and reasonable divisions thereof, on traffic handled by said merged company in connection with other railroads via available junctions and gateways, moving to and from the stations of the merged company on the one hand, and, on the other, points or stations on or beyond the lines of the aforesaid connecting railroad or railroads."

The usual open-route conditions, also recommended by Examiner Blond, would require the merged company to maintain all existing routes, continue present neutrality with respect to the handling of traffic interchanged with connecting lines, preserve operating relationships such as interchange procedures and switching practices, accept and deliver cars "without discrimination in promptness or frequency of service" as between connecting lines, and do nothing to "restrain or curtail" the right of industries now located on ACL and SAL lines to route traffic over all existing routes.

Job-freeze rejected

The usual employee-protection conditions were recommended by the examiner, but he would provide new arrangements for arbitrating disputes as to applicability of the protection to individual employees. In this connection, the Railway Labor Executives' Association complained about what it considers undue delays under present arbitration procedures.

The examiner rejected RLEA's plea for a job-freeze, or for dismissal of the application on the merits. At the same time, he emphasized that the merged company and unions representing its employees would remain free to agree on different labor-protection conditions. The applicant roads indicated that they might accede to conditions of the job-freeze type, if what they considered appropriate provisions were made for forfeiture of severance pay by employees not willing to change their place of employment.

If the merger plan became fully effective, it would result in abolishment of 4,257 jobs and relocation of some 4,439 employees. That would take five years, during which normal attrition would result in 5,670 employees leaving the merged company's service. As the proposed report explained, however, "openings by attrition would not provide job availability for all employees expected to be affected by the merger," because "most resignations affect junior jobs and generally do not represent suitable replacement for persons whose jobs would be abolished."

Another condition recommended by Examiner Blond would require the merged company to refrain from opposing abandonment by the Southern of its present trackage rights over ACL lines between Hardeeville, S.C., and Jacksonville, Fla., and between Selma, N.C., and Pinners Point, Va. Finally, the examiner would have the Commission reserve jurisdiction so any interested party, "at any future time," could make application for modification of the conditions.

Meanwhile, the examiner would reject pleas by the Southern and other intervening railroads, including the Illinois Central and Gulf, Mobile & Ohio, asking that the Commission require the merged company to divest itself of ACL's one-third interest in the Louisville & Nashville. IC is seeking to buy ACL's L&N stock, something Southern wanted to do when it first entered the case. Now Southern asks only that the Commission include a divestiture condition in any favorable decision on the proposed merger.

"The ownership of L&N stock by Coast Line," the proposed report said, "has continued for about 60 years, and represents an important asset which has been given consideration in evaluating Coast Line's contribution to the merged company, and in supporting the ratio of exchange of stock. While the stock owned by Coast Line is equivalent to approximately 33% of the voting power of L&N, and Coast Line has owned as much as 51% thereof in years past, Coast Line never exercised control of the operations or traffic policies of L&N. The same voluntary restraint would be the policy of the merged company."

Southern and Florida East Coast, another railroad intervener, were also unsuccessful in persuading the examiner that he should recommend conditions requiring the merged system to sell to them some of its lines and abandon others. Lines sought by the Southern would improve its route into Jacksonville and extend it to Tampa. FEC wants a line from Jacksonville to

Atlantic Coast Line, Seaboard

Tampa, and it wants protection in eastern Florida by conditions requiring transfer to it of some SAL lines and abandonment of others.

Also rejected by Examiner Blond was the Department of Justice's contention that the application should be denied on grounds that the proposed merger would be contrary to the policy of the antitrust laws and the National Transportation Policy. Among other comment on Justice's arguments, the examiner said they "ignore many facts of life in the railroad industry."

Duplication of lines

The 9,800-mile system which the merged company would take over extends generally from Richmond, Va., to southern Florida. More than 5,600 miles would be ACL lines and about 4,200 miles would be SAL lines. For 1961, ACL reported gross revenues of $162,384,000 and net railway operating income of $10,811,000. SAL's 1961 gross and net were $157,574,000 and $14,584,000 respectively.

The ACL lines extend from Richmond and Pinners Point (in the Norfolk area) in generally southerly and westerly directions to Wilmington, N.C., Spartanburg, S.C., Atlanta, Ga., Albany, Birmingham, Ala., Montgomery, Jacksonville, Fla., St. Petersburg and Tampa, with various intermediate branch lines and a network of connecting lines within the central and western areas of Florida. Seaboard's principal lines extend from Richmond and Portsmouth, Va., southerly to Jacksonville, Tampa, St. Petersburg, Miami and Homestead, Fla. Other SAL lines extend westerly from the ports of Wilmington and Savannah, serving inland points, including Atlanta, Birmingham and Montgomery.

Thus there is much duplication, and studies made for the applicants by Wyer, Dick & Co. and Coverdale & Colpitts recommend abandonment of more than 1,000 miles. The expectation that the merged properties would comprise a 9,800-mile system contemplates that this 1,000 miles would be abandoned, although no request for authority to effect such abandonments is included in the application.

The absence of such a request raised issues as to whether the estimated savings from the merger could be realized without the recommended abandonments. The examiner did not agree with contentions that this omission was a "fatal defect" in the application. While he recognized that a substantial part of the expected savings were contingent on abandonments, he noted other evidence indicating that savings "in excess of $16,000,000" a year would be realized anyway from "elimination of duplicative freight and passenger train service; consolidation of offices, departments, operating divisions, off-line offices, LCL handling facilities and heavy repair facilities, and related reduction in material and supply inventories." The proposed report added that "considerable portions of the estimated savings and increased revenues related to other phases of consolidation and rerouting of traffic also would be realized."

Among the principal abandonments recommended by the consulting firms are Seaboard's lines between Charleston and Bridge Junction, near Savannah, 86.18 miles, and between Lumpkin, Ga., and Montgomery, 96.42 miles; and ACL's cut-off line between Jesup and Folkston, 53.23 miles. Altogether, the recommended abandonments involve 48 separate lines or portions of lines. As to whether authority to effect these abandonments will be sought, the proposed report said:

"Applicants' executive officers asserted that decisions as to seeking permission to abandon the lines in question would be held in abeyance until after the proposed merger is approved. The final determinations on abandonment applications would be based upon business judgments in the light of circumstances prevailing after other aspects of the statutory merger and consolidation of properties of the applicants are effectuated."

SAL would survive

The present SAL, a Virginia corporation, would be the surviving company, and the merger would be effected by exchange of one share of ACL common for 1.42 shares of Seaboard. Seaboard's charter would be amended to conform with details of the merger plan. The plan provides that President John W. Smith of Seaboard will be first chairman of the board of directors of the merged company and ACL President W. Thomas Rice will be its first president.

The examiner would have the Commission authorize assumption of obligations by the merged company and issuance of additional Seaboard shares as necessary to carry out the merger plan. The additional Seaboard stock would total 3,839,345 shares.

In reviewing the evidence which prompted him to advise the Commission that the proposed merger is justified under applicable provisions of the Interstate Commerce Act, Examiner Blond included interesting observations on presentations of several parties to the case. His statement that the Department of Justice's arguments "ignore many facts of life in the railroad industry" was only one of his comments on Justice's presentation.

Among such other comments were those pointing up the Commission's "exclusive and plenary power" in railroad merger cases — a power which is such that favorable Commission action on a merger proposal confers immunity from the antitrust laws. When Congress in 1940 enacted the Interstate Commerce Act's Section 5 in its present form, its purpose was "to facilitate merger and consolidation in the national transportation system," Mr. Blond added.

He went on to note Justice's contention that the proposed merger would not conform to requirements of Section 5 because it would impair railroad service in the Southeast without offsetting advantages to the public.

"To arrive at such a finding requires that the material which the applicants produced on the record, and the direct evidence by the supporting shippers and public witnesses, be completely disregarded, or be considered of no probative value. Such an evaluation is not justified. Further, Justice appears to give no credit to the Commission's statutory power and competence to subject the transactions under consideration to such terms and conditions and such modifications as it finds to be just and reasonable."

Rejecting Justice's other contention that the proposed merger would tend to create a monopoly, Mr. Blond pointed out that, except in central and western Florida, the merged company "would face the vigorous competition of Southern and its connecting railroads."

The examiner also rejected RLEA's contention that the proposed merger was not required for the financial health of SAL and ACL. "The power of the Commission to authorize merger transactions upon finding that such would be consistent with the public interest does not suggest that the benefits of consolidation are to be denied to railroads which are enjoying profitable operations," the proposed report said.

YOU OUGHT TO KNOW

Mergers and work-rule changes came under attack in Labor Day messages from the Railway Labor Executives' Association. In an anti-merger blast, RLEA Chairman G. E. Leighty asserted that "halting temporarily those who would put profits ahead of patriotism is not enough. We must stop permanently those who would hamstring the transportation life lines of this nation." A separate statement from Donald S. Beattie, RLEA's executive secretary-treasurer, said the real issue in the work-rules dispute is "between safety and dollars, between railroad operation that is efficient and brings more customers and poor service that discourages passengers and freight."

E. **Grosvenor Plowman,** vice president—traffic, U. S. Steel Corp., has become the Department of Commerce's consultant for transportation research and planning. He will "work directly with the undersecretary of commerce for transportation in research and planning responsibilities assigned to the department by the President in his transportation message to Congress," Secretary Luther Hodges' announcement said. Dr. Plowman is on leave from his steel corporation vice presidency.

First all-piggyback train between South Florida and the Midwest has been put in service by Atlantic Coast Line. Train leaves Lakeland, Fla., at 5:30 p.m., arrives in Atlanta the following morning, and makes second-morning deliveries at Louisville, Cincinnati and Chicago. The new schedule, says J. W. Plant, ACL manager trailer-train service, is the fastest ever operated between Florida and the Midwest. Noting that ACL inaugurated the first all-TOFC train between Florida and eastern points 18 months ago, Mr. Plant says he's "confident that the special train to western points will prove to be equally popular."

Interlocking of transportation services to meet the challenge of social, economic and technological change was called for by CN President Donald Gordon in an Aug. 30 address at the Canadian National Exposition at Toronto. "What I am suggesting," Mr. Gordon said, "is not a greater degree of common ownership or centralized control but a voluntary arrangement under which independent units exchange ideas and information and make services available to each other . . . . "

An award for an "outstanding contribution to the training of young men in industry" has been presented to Missouri Pacific by the U. S. Department of Labor. H. M. Hoffmeister, MoPac vice president—purchases and stores, accepted the certificate in ceremonies in Washington marking the 25th anniversary of the Department's national apprenticeship program. The award refers to the railroad's on-the-job work and correspondence school study in the apprentice training of diesel shop mechanics and electricians.

Chesapeake & Ohio has completed a $200,000 expansion program—construction of seven new grain storage tracks with 250-car total capacity—at its Walbridge Yard at Toledo. With grouping of all grain cars now possible, inspections can be speeded up and time savings "can be measured in days."

The 1962 convention of the National Association of Railroad and Utilities Commissioners will be held at the Roosevelt Hotel, New Orleans, Nov. 11-Nov. 15.

PRR is installing seat belts in all autos owned or leased by the railroad. A spokesman said "safety rules for the use of the belts are being established. Thus, the railroad will be able to enforce, under penalty of disciplinary action, the use of the belts."

Success of a pilot plant developed by General American Transportation Corp. at Carteret, N.J., for bulk storage and packaging of polyethylene pellets may point to new growth for similar public storage terminals. The Carteret facility, established in cooperation with Celanese Corp. of America, receives pellets from Houston in GATC Dry-Flo Chem hopper cars, hermetically sealed. They are unloaded to storage tanks by a Fuller (GATC subsidiary) Airveyor pneumatic system and stored for subsequent redistribution in containers ranging from 50-lb bags to 20,000-lb tank trucks.

Duluth, Missabe & Iron Range has given a heavy-duty, Santa Fe-type steam locomotive to the National Museum of Transport at St. Louis. This latest addition to the museum's 35-item motive power roster was presented by DM&IR President D. J. Smith to museum Chairman A. K. Atkinson at St. Louis Union Station. The locomotive went to the Alton & Southern's facilities in East St. Louis for storage pending relocation of the museum on the east side riverfront.

Effective Sept. 1, the Port Authority Trans-Hudson Corp.—a subsidiary of the Port of New York Authority—acquired title to and began operation of the Hudson & Manhattan (Hudson Tubes), providing passenger service between New York City and Hoboken, N.J., Jersey City and Newark. PATH announced that it would begin immediately a comprehensive program of cleaning and painting all public areas and rolling stock. It plans eventually to spend approximately $150 million on purchase of more than 250 air-conditioned rapid-transit cars; complete renovation of power and signal systems; construction of new yards and shops; rehabilitation of all passenger stations; a new Hudson Terminal in lower Manhattan; a new Transportation Center at Journal Square in Jersey City; and, probably, transfer stations between the Tubes and New Jersey commuter railroads at Harrison, Bergen Junction and Secaucus.

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Work Rules—a Moral Issue

Before the operating unions decide to risk ruining the railroads as private enterprise, in a conflict over working rules, some realistic thinking by their members on the economic and moral issues involved would be helpful all around.

There are natural laws of economics and morals, just as there are in the realm of physical things. You defy the law of gravity and you fall on your face. You defy economic and moral law and you also fall—but not quite so fast. The working of these laws is not as swift as is that of the laws of physics. The fact tempts some people to violate these laws, hoping that the unhappy and inevitable outcome will not catch up with them during their lifetime.

If the railroad industry is wrecked as private enterprise by conflict over the working rules, whose fault will it be? Just how much resistance to technological change is economically and morally justifiable? Prior to World War I every little town used to have at least one horseshoeing establishment. Towns of county-seat size also had one or more harness shops. As need for the services of such people disappeared, they shifted to other occupations. Was it fair to force this change upon them?

What about the boilermakers? Back in the late Twenties there were more than 16,000 of them on railroad payrolls. In 1961 their number had shrunk to around 2,000—and it would be safe to guess that few of the 2,000 were performing the tasks that boilermakers used to do back in the Twenties. Technological change vastly reduced the need for boilermakers and, quite evidently, a large number of them had to shift to other occupations. Was this an injustice to them? Once a man has acquired skill at a particular craft has he also acquired the right to follow that trade as long as he lives—and to be well paid for doing so, whether there is any longer a need for his services?

The speed of freight trains rose from 12.8 mph in the five years ended 1930, to 19.5 mph in 1960, an increase of 52%. This means that the average freight train crew worked 7.8 hours to earn a "day's" pay back in the Twenties, and only 5.1 hours in 1960.

This increased speed was, of course, brought about largely if not entirely by dieselization and improved signaling—not by an enlarged contribution of effort and skill on the part of employees. A modest increase in the mileage constituting a "day" of work would certainly be no injustice to these employees—because how else is the added capital cost of dieselization and improved signaling to be paid for? And if there is not continuous improvement in the technology of railroad transportation, how can railroads expect to stay in business in the face of competition from other forms of transportation?

Railroad transportation is a business that, naturally and intrinsically, is economically and morally sound. It conforms to healthy economics to the degree that it performs transportation service at less consumption of scarce resources than would be required if the service were provided by some other agency. It conforms to moral principles to the degree that it seeks to keep its costs low and its service quality high; while pricing its service reasonably.

Most big businesses serve a highly useful economic purpose, but it sometimes happens that management causes them to act anti-economically and immorally. An example would be a combination to exact extortionate or arbitrarily discriminatory prices.

A labor union, likewise, may act in obedience to economic and moral principles—or it may be disobedient. Is it not a clear violation of economic and moral principles to seek, through coercive measures, to prevent further technological progress (e.g., by refusing to accept higher piecework standards as machinery is improved)? It certainly is not, however, a violation of these principles for a union to seek to cushion the adverse effects of technological progress—by insisting on reasonable protection for employees thus displaced.

Railroad 'Prosperity'

How can anyone possibly doubt that it is a serious perversion of moral principles for anyone to seek to induce unionists and the general public to believe that railroads are prospering, when those who make this assertion have full knowledge that the fact is exactly to the contrary? Leadership, whether of unions or management, is not exempt from the commandment: "Thou shalt not bear false witness." Retribution for amoral or immoral behavior may come slowly, but come it does.

Some racketeers have made it a practice to sell "protection"—that is, immunity from physical injury at their hands. This is not an economic service. It is pure and simple exaction of tribute. Forcing an employer to pay employees indefinitely for services no longer needed comes perilously close to being the same kind of exaction.

Up until quite recently railroad unions have enjoyed a reputation for maturity and probity not surpassed anywhere in the whole union movement. Persistent neglect by these unions to evidence their concern for economic and moral principles might well be just as fatal to them as it could be to private operation of the nation's railroads. Some meditation on these questions by responsible unionists would certainly be salutary.

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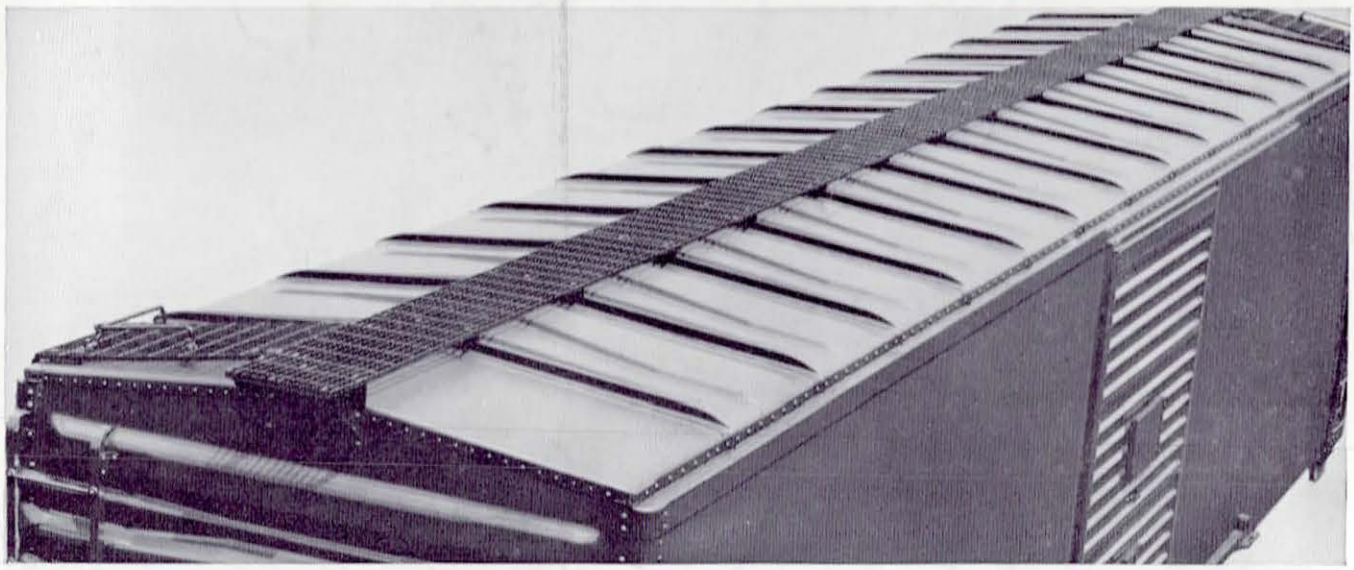

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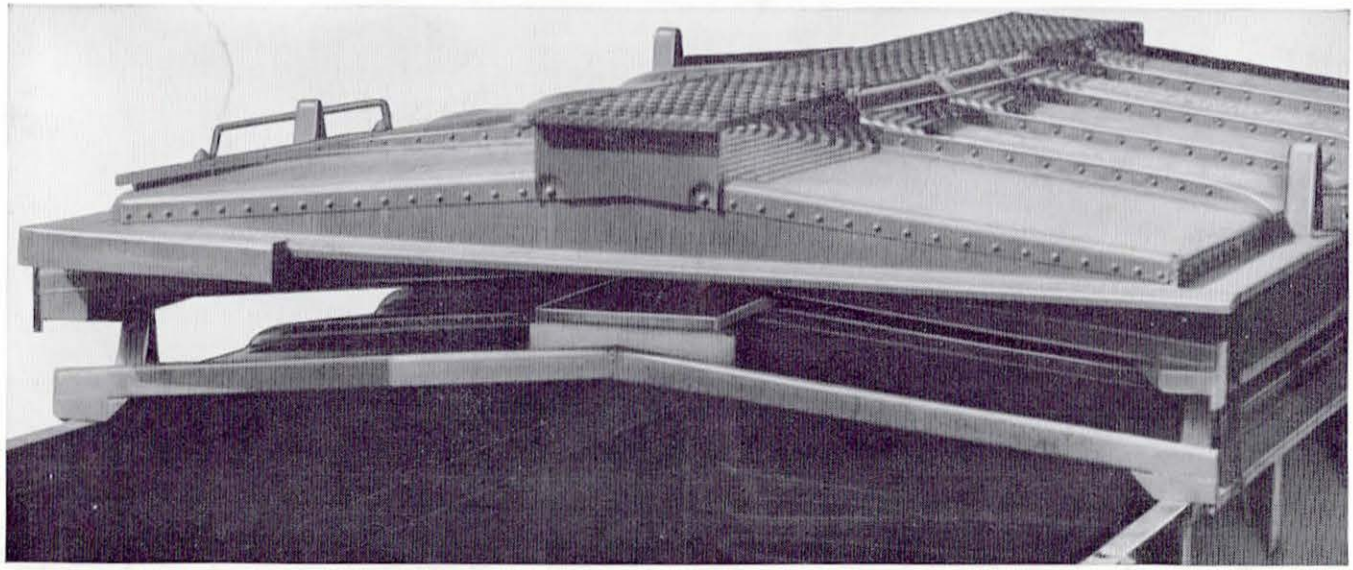

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